

WASHINGTON

Julia Enger, Toledo.
William F. Cantrell, Toppenish.
Rodse M. Illy, Uniontown.
Robert J. Robertson, White Salmon.

WEST VIRGINIA

Lawrence Barrackman, Barrackville.
Henry A. Russell, Berkeley Springs.

WISCONSIN

Elizabeth Croake, Albany.
Orestes K. Hawley, Baldwin.
Castor H. Kuehl, Brillion.
Earl H. Herbert, Coleman.
Frank M. LeCount, Hartford.
Edward H. Moore, Lakemills.
Frederic D. Keithley, Land O'Lakes.
Norma E. McNutt, Oxford.

WYOMING

Elizabeth L. Murphy, Edgerton.
Glenwood C. Long, Lingle.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 27, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

To our Merciful Father in Heaven we offer our tributes of praise and gratitude. Incline our hearts toward Thee as we tarry in the multitude of Thy blessings, so free and full. May it always be our delight to spend our strength and zeal on the very best themes of human thought and life. We beseech Thee, our Father, that this warring, weeping old world may not go back to the trenches of hate. O bring a fresh redemption to it that shall honor Thee and bless humanity and return it to its rest. Lord God of Hosts, be with this Congress. To the troubled in spirit, to those cumbered with heavy cares, and unto all be Thou a blessing. Vouchsafe Thy guidance to direct us through these hours. We are gathered from diverse ways, from different experiences, yet united in common desire. Almighty God, administer unto us the wisdom and the faith that cometh from the infinite source of all truth. Amen.

CALL OF THE HOUSE

Mr. LAGUARDIA. Mr. Speaker, there was a very interesting and important session of the House on yesterday, and I am sure the entire membership want to hear the reading of the Journal. I make the point of no quorum.

The SPEAKER. Evidently there is no quorum present.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House. A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 54]

Abernethy	Crisp	Hogg, Ind.	Murphy
Allgood	Crowe	Horner	Owen
Andresen	Darrow	Hull, Morton D.	Ransley
Andrews, N. Y.	Doutrich	Igoe	Shreve
Beck	Dowell	Jeffers	Smith, W. Va.
Brumm	Drane	Johnson, Ill.	Stalker
Burtress	Erk	Johnson, S. Dak.	Stokes
Campbell, Pa.	Estep	Kendall	Strong, Pa.
Canfield	Finley	Kurtz	Sullivan, Pa.
Caviochia	Flannagan	Larrabee	Swick
Chapman	Free	Lehlbach	Thatcher
Chase	Freeman	Lewis	Tucker
Chavez	Gillen	Loofbouroow	Watson
Chiperfield	Goldsborough	Ludlow	Wolfenden
Cochran, Pa.	Greenwood	McFadden	Wyant
Collier	Griswold	McGugin	
Connolly	Hart	Magrady	

The SPEAKER. Three hundred and sixty-five Members have answered to their names. A quorum is present.

Mr. BANKHEAD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On April 22, 1932:

H. R. 8397. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1933, and for other purposes;

H. R. 8779. An act granting certain lands to the board of commissioners of the Orleans levee district in the city of New Orleans, State of Louisiana, for levee and street purposes;

H. R. 9066. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Tenth Street in Bettendorf, Iowa;

H. R. 9143. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Elbowoods, N. Dak.;

H. R. 9301. An act to extend the times for commencing and completing the construction of a bridge across the Black River at or near Pocahontas, Ark.;

H. R. 9974. An act to authorize appointment of public-school employees between meetings of the Board of Education;

H. R. 10088. An act to revive and reenact the act entitled "An act authorizing the South Carolina and the Georgia Highway Departments to construct, maintain, and operate a toll bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.," approved May 26, 1928; and

H. R. 10489. An act to provide for the extension and widening of Michigan Avenue, in the District of Columbia, and for other purposes.

On April 23, 1932:

H. R. 5272. An act for the relief of Frank Bayer; and

H. R. 8087. An act authorizing the Secretary of the Interior to vacate withdrawals of public lands under the reclamation law, with reservations of rights, ways, and easements.

On April 25, 1932:

H. R. 5848. An act authorizing and directing the Secretary of War to lend to the entertainment committee of the United Confederate Veterans 250 pyramidal tents, complete; fifteen 16 by 80 by 40 foot assembly tents; thirty 11 by 50 by 15 foot hospital-ward tents; 10,000 blankets, olive drab, No. 4; 5,000 pillowcases; 5,000 canvas cots; 5,000 cotton pillows; 5,000 bed sacks; 10,000 bed sheets; 20 field ranges, No. 1; 10 field bake ovens; 50 water bags (for ice water); to be used at the encampment of the United Confederate Veterans, to be held at Richmond, Va., in June, 1932;

H. R. 882. An act for the relief of G. W. Wall;

H. R. 1202. An act for the relief of Lehde & Schoenhut;

H. R. 2594. An act for the relief of the State National Bank of Wills Point, Tex.;

H. R. 3265. An act for the relief of W. J. Shirley;

H. R. 3373. An act for the relief of Fireman's Fund Insurance Co.;

H. R. 3909. An act for the relief of Helen Patricia Sullivan;

H. R. 4329. An act for the relief of Alton B. Platner; and

H. R. 7788. An act authorizing the granting by the Secretary of War of a right of way to the Georgia Highway Department.

On April 26, 1932:

H. R. 2086. An act for the relief of Francis Engler; and

H. R. 5259. An act for the relief of Steve Fekete.

On April 27, 1932:

H. R. 10362. An act to require the approval of the General Council of the Seminole Tribe or Nation in case of the disposal of any tribal land.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1196. An act authorizing the Tlingit and Haida Indians of Alaska to bring suit in the United States Court of Claims, and conferring jurisdiction upon said court to hear, examine, adjudicate, and enter judgment upon any and all claims which said Indians may have, or claim to have, against the United States, and for other purposes; and

S. 4123. An act to amend the District of Columbia traffic acts, as amended.

MESSRS. CLYDE PANGBORN AND HUGH HERNDON, JR.

Mr. HERR. Mr. Speaker, I ask unanimous consent to address the House out of order for one minute.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HERR. Mr. Speaker, some time ago there appeared here as a guest of the House of Representatives a man outstanding in aviation, one who had conquered the great Atlantic. He was our guest on that day, and the House very appropriately received him as their guest, the Lone Eagle of the Atlantic, Colonel Lindbergh.

To-day we have with us two young men who started at New York City, flew around the world, landed at Japan, and from there made the first and only nonstop flight across the Pacific Ocean. Those two young men represent the best there is of American manhood—clean-cut, vigorous, and courageous.

To-day they are our guests, and we are glad to have them with us. I take pleasure in presenting to you from the galleries Mr. Clyde Pangborn and Mr. Hugh Herndon, jr., the first and only men to make a nonstop flight across the Pacific, "the Double Eagles of the Pacific." [Applause.]

ULDRIC THOMPSON, JR.

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the bill (H. R. 10851) for the relief of Uldric Thompson, jr., recently passed by the Committee on Indian Affairs, may be referred to that committee.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

PHILIPPINE INDEPENDENCE

Mr. BARBOUR. Mr. Speaker, I ask unanimous consent to extend my remarks on the question of Philippine independence.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BARBOUR. Mr. Speaker, the Legislature of California three years ago approved a joint resolution memorializing and petitioning Congress to restrict the immigration of Filipinos into the United States.

Several bills were presented during the Seventieth, Seventy-first, and Seventy-second Congresses by Representatives from California with a view to bringing about the results desired by the California Legislature. Some of these bills have been the subject of extensive hearings by the Committee on Immigration and Naturalization, but none was enacted into law, because it seemed to be the judgment of Congress not to exclude or restrict Filipinos coming to the United States while the islands remain under the American flag.

The official representatives of the Filipino people have contended that their people were entitled to the rights and privileges guaranteed by the Constitution pending the grant of their national independence which American Presidents and the Congress have promised. The independence issue has of late become a pressing problem demanding early solution. Various Philippine independence bills were submitted during the early part of the present session of Congress. Both the Senate Committee on Territories and Insular Affairs and the House Committee on Insular Affairs have reported out bills looking to the grant of independence, after extensive hearings were held. The House of Representatives this month by a vote of 306 to 47 passed H. R. 7233, granting independence after a period of eight

years following the establishment of the government of the Philippine Commonwealth provided for in the bill.

Congressman WELCH of California, who is a member of the House Committee on Insular Affairs, took active part in the discussion of the bill. He himself presented a Philippine independence bill similar to the one presented by Senators HAWES and CUTTING, and Congressman HARE in the House, with a provision that would adequately remedy the question of Philippine immigration.

The Welch bill contained a provision that would remedy the question of Filipino immigration by excluding Filipinos from entering continental United States. This provision was inserted in the Hare bill, which originally contained no immigration provision. While the bill provides for complete independence eight years after the people of the Philippine Islands establish a commonwealth government, which, pursuant to the provision of the bill, may add two years to that time. The immigration provision, however, goes into effect 60 days after the President signs the bill.

While the hearings were being held on the Philippine independence bill all the Members of the House of Representatives from the State of California submitted a statement to the effect that—

Any bill changing the status of the Philippine Islands should contain a provision excluding Philippine immigrants from entering the United States.

My colleagues and I have since had an opportunity to vote for the passage of a Philippine independence bill, and our approval was based not only upon the ground that it would settle satisfactorily the question of Philippine immigration but that it would be a fulfillment of a moral obligation of the United States to the people of the Philippines.

CONTINGENT EXPENSES

Mr. BYRNS. Mr. Speaker, I offer the following resolution, and ask unanimous consent for its immediate consideration.

The SPEAKER. The gentleman from Tennessee offers a resolution, which the Clerk will report.

The Clerk read the resolution, as follows:

House Joint Resolution 375

Resolved, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for contingent expenses of the House of Representatives for the fiscal year ending June 30, 1932:

For expenses of special and select committees authorized by the House, \$15,000.

For furniture and materials for repairs of the same, including labor, tools, and machinery for furniture repair shops, \$6,500.

For stenographic reports of hearings of committees other than special and select committees, \$5,000.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, will the gentleman explain briefly the occasion, particularly, for the first item of \$15,000 for special and select committee expenses?

Mr. BYRNS. That is made necessary by the increased amount needed for the Committee on Internal Revenue Taxation; also an investigation which was authorized in January, directing the Committee on Interstate and Foreign Commerce to investigate holding companies, and also by another investigation which was authorized in February, authorizing the Committee on Coinage, Weights, and Measures to investigate the depressed value of silver. These amounts are pressing.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The resolution was agreed to.

THE TARIFF

Mr. POUL, from the Committee on Rules, submitted the following privileged resolution (H. Res. 195), which was read and referred to the House Calendar and ordered printed:

House Resolution 195

Resolved, That immediately upon the adoption of this resolution the bill H. R. 6662, with the amendment of the Senate thereto, be, and the same is hereby, taken from the Speaker's table to the end that the amendment of the Senate be, and the same is hereby, concurred in.

AMENDMENT OF THE LEGISLATIVE APPROPRIATION BILL

Mr. BANKHEAD. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 203), and ask for its immediate consideration.

The SPEAKER. The gentleman from Alabama calls up a resolution, which the Clerk will report.

The Clerk read the resolution, as follows:

House Resolution 203

Resolved, That after the adoption of this resolution it shall be in order in the consideration of H. R. 11267, the legislative appropriation bill, for the chairman of the Economy Committee or any member of the Economy Committee acting for him, by direction of that committee, to offer an amendment to said bill, any rule of the House to the contrary notwithstanding. On said amendment there shall be two hours of general debate, one-half to be controlled by the chairman of the Economy Committee and one-half by the ranking minority member of that committee. At the termination of such debate the amendment shall be considered under the 5-minute rule as an original bill and shall be considered by titles. Each title as it is read shall be open to four amendments, said amendments not being subject to amendment, and no further amendments shall be entertained by the Chair. The provisions of clause 7, Rule XVI, or clause 2, Rule XXI, shall not apply to the substitute amendment offered to Title I of the Economy Committee amendment. At the conclusion of the consideration of the bill in the Committee of the Whole House on the state of the Union the committee shall rise and report the bill to the House with the amendments, including the amendment offered by the Economy Committee as amended, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the Economy Committee amendment. The previous question shall be considered as ordered on the bill and Economy Committee amendment, including the amendments to the Economy Committee amendment to final passage without intervening motion except two motions to recommit, and such motions to recommit shall be in order, any rule of the House to the contrary notwithstanding.

Mr. BANKHEAD. Mr. Speaker, does the gentleman from Indiana desire to make any suggestion with reference to time for debate on the rule?

Mr. PURNELL. I will say to the gentleman from Alabama that I have had considerably more requests for time than I have time. I hoped it might be possible to extend the debate on the rule.

Mr. BANKHEAD. What would the gentleman suggest?

Mr. PURNELL. I would suggest to the gentleman that he ask unanimous consent to extend the time for debate 30 minutes.

Mr. BANKHEAD. I will state to the gentleman from Indiana that there have been some requests for additional time on this side.

Mr. Speaker, I ask unanimous consent that the time for the discussion of the rule be fixed at one and one-half hours, one-half the time to be controlled by the gentleman from Indiana and one-half by myself, and that the previous question shall be considered as ordered at the expiration of that time.

Mr. LaGUARDIA. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. LaGUARDIA. In the time to be consumed on the discussion of the rule, which the gentleman stated would be divided between the gentleman from Indiana and the gentleman from Alabama, is it understood that one-half the time will be allotted to Members who are opposed to the rule?

Mr. BANKHEAD. I can not speak for the gentleman from Indiana; but, as far as this side is concerned, I think I will be able to satisfy the Democratic Members.

Mr. LaGUARDIA. Mr. Speaker, may I ask the gentleman from Indiana, if the gentleman from Alabama will permit, if those opposed to the rule will have an opportunity to be heard?

Mr. PURNELL. I will say to the gentleman that it is my intention to yield at least one-half of the time on this side of the House to those who are opposed to the rule.

Mr. BLANTON. Mr. Speaker, I reserve the right to object.

Mr. SCHAFER. Mr. Speaker, I object to extending the time on such a gag rule so greatly restricting the time for consideration of such an important matter.

Mr. BLANTON. Mr. Speaker, I want to ask the gentleman from Alabama a question.

The SPEAKER. The Chair understands the gentleman from Wisconsin objects, so there is no use reserving the right to object or discussing the matter if objection is heard.

The gentleman from Alabama is recognized for one hour.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. BANKHEAD. If it is not to be taken out of my time and if the gentleman will submit a very brief question, I yield.

Mr. BLANTON. May we have an understanding with the gentleman from Alabama that he will later permit a substitute rule to be offered, to be voted upon before the gentleman moves the previous question? Some of us are not satisfied with the rule, although we are heartily in favor of most of the committee's bill for economy. We want a little more leeway to properly amend it in a few particulars under the general rules of the House.

Mr. BANKHEAD. Mr. Speaker, I will answer the gentleman. I do not think that is a fair request for the gentleman from Texas to make of the Rules Committee. There is opposition to this rule from the Rules Committee itself.

The SPEAKER. The gentleman from Alabama is recognized for one hour, and his time is going on.

Mr. BANKHEAD. I will say to the gentleman from Texas that if in the judgment of the House the rule which is now offered should not prevail, then they will vote down the motion for the previous question and a substitute rule may be offered throwing the whole question open to general debate and amendment.

Mr. BLANTON. That is my idea of what ought to be done. It is absolutely necessary that we pass a rule in order to make this economy program in order on this appropriation bill. No Member here who favors economy and retrenchment can afford to vote against the rule. But under its present provisions no Member not on the committee can be assured of his right to offer a bona fide amendment, as members of the committee are entitled to recognition, and they can absorb the privilege of offering the four amendments to each title. I heartily approve of practically all of the provisions of the Economy Committee's bill. I believe that the consolidation of the War and Navy Departments alone will save \$100,000,000 annually. But I want to enlarge the exemption in the bill. Why not permit a substitute to be offered for the rule by agreement?

Mr. BANKHEAD. I can not make that concession.

Mr. LaGUARDIA. Mr. Speaker, a parliamentary inquiry.

Mr. BANKHEAD. Mr. Speaker, I do not yield for a parliamentary inquiry.

The SPEAKER. The gentleman from Alabama does not yield for a parliamentary inquiry.

Mr. BANKHEAD. Mr. Speaker, I do not yield because my time is running. I tried to get the time extended.

Mr. Speaker, I wish to make a very brief statement in my opening remarks with reference to the purpose of this rule and what freedom of action under its provisions may be allowed to the members of the committee if the rule is adopted. I hardly think it is necessary for me to undertake to explain the mechanics of this rule. I assume that each Member of the House who is interested in the matter has a copy of the resolution before him.

The statement has been made in the press, and it will be made in the argument on this rule, that it is a gag rule. Admittedly it does attempt to restrict some liberty of action under the general rules of the House as we ordinarily consider bills under the 5-minute rule, but it does provide an opportunity under the 10 titles of this bill for members of the committee to offer 40 different amendments to the amendment that will be offered by the Economy Committee, and I want to state to you my conception of what the chairman of the committee, under this rule, will do, and what would be the order of priority in the offering of the four amendments to each title that will be allowed under this rule.

If you will take section 102 of the bill as an illustration—because I imagine that is the section about which most of this controversy will rage—under the rule as now offered, the gentleman from Iowa [Mr. RAMSEYER], for instance, if

he desires to do so, will, under this rule, have the privilege of presenting the so-called President's program with reference to economy in Government salaries, and submit it as a whole proposition, and it is made germane under this rule to throw it open to the full consideration of the House. In addition to that, an amendment to that proposition or to the committee amendment will be in order.

I want you to particularly hear this statement, gentlemen: We have entered into a "gentlemen's agreement" in the Rules Committee—and I want to state to you that it will be carried into effect by the Chairman of the Committee of the Whole, the gentleman from North Carolina—that some gentleman, I do not know who it will be, and it does not make any difference, will be recognized for the purpose of offering an amendment raising the limit of exemption from \$1,000 to \$2,000. So you will have an opportunity to vote on that proposition. In addition to that, an amendment will be in order to strike out each one of the titles of the bill in toto, or an amendment to strike out any section of either of the titles in toto. In addition to that, gentlemen, if this rule prevails and the bill comes out of the Committee of the Whole and goes back into the House, this rule provides an opportunity for a separate vote on each amendment that may have been adopted. So when you look at the importance of this great question, gentlemen, and when you analyze the liberty of action that is given under the terms of this rule, I submit to the candid consideration of the House that it is not entitled to be called what we ordinarily call a gag rule.

Mr. BLANTON. Will the gentleman yield?

Mr. BANKHEAD. Very briefly.

Mr. BLANTON. I am supporting the committee's bill for economy, but I want to amend it in a few particulars. If the members of the committee see fit to claim their right to offer the four amendments that are allowed for each title, then no other Member of this House, other than the members of the committee, could offer any amendment whatever. That is the biggest portion of the gag part of it.

Mr. BANKHEAD. I want to say to the gentleman from Texas that he, in my opinion, need have no apprehension upon that score.

Mr. SNELL. Will the gentleman yield?

Mr. BANKHEAD. I will yield, but I would like to finish my statement to the gentleman from Texas. I say—and if I am not authorized to say it I want to be corrected—that in order that Members of this House may have as full and free an opportunity in the circumstances as possible to register their opposition to this Economy Committee program or any feature of it, I feel it would be the duty of the Chairman of the Committee of the Whole to recognize for the offering of amendments gentlemen who desire to oppose some specific and controversial question. I want to say to the gentleman from Texas—and I want to say it to all the Members of this House—that as far as I understand the spirit and purpose of this rule—and I am sure that is the spirit which actuated the members of the Committee on Rules itself—that we desired to bring in a rule that would give to the Members of this House a fair and reasonable opportunity to register their views on all phases of this bill without entering into a discussion here that might take two or three weeks, as happened in connection with the tax-bill proposition.

That is what the committee had in mind. We may have subjected ourselves to the criticism of the membership, but we do feel that in view of the grave importance of this question, in view of the condition of our Federal Treasury, and in view of what has come to all of us, I think, a public demand upon the part of the people of this country, its business organizations and its individuals, to try, if we can, to reduce the burdens of government, Federal, State, county, and municipal, that surely this House will not deny to its membership a rule that will give you, as the representatives of those taxpayers, an opportunity to consider in a thoroughly general and liberal way the basic proposition involved. I will now yield to the gentleman from New York.

Mr. SNELL. I wanted to suggest to the gentleman from Alabama that he offer an amendment to the rule giving the Economy Committee the right to offer perfecting amend-

ments authorized by the committee, outside of the four amendments that are offered from the floor of the House.

Mr. BANKHEAD. I have not had any indication from the chairman of that committee that he has any amendment to offer.

Mr. SNELL. Provided they had any special perfecting amendments to offer. It would seem to me that should be provided in the rule, and then that would not take from the House the opportunity of offering these four amendments.

Mr. BANKHEAD. I do not know whether there will be objection to that on the part of those who are against the rule and against considering this question at all or not. I think it ought to be incorporated in the rule.

Mr. McDUFFIE. There will be no objection to that.

Mr. BANKHEAD. There will be no objection; but has the gentleman in mind any committee amendments that he proposes to offer of a substantive nature?

Mr. McDUFFIE. There are one or two that the committee has agreed to by way of amendments it is going to offer to-day; and as to any other perfecting or clarifying amendments, the committee, of course, feels there will be no objection.

Mr. SNELL. Will the gentleman from Alabama yield for one or two more questions?

Mr. BANKHEAD. I have only a short time. The time was not extended, as the gentleman knows.

Mr. SNELL. I realize that. I wanted to have the time extended so that the House would clearly understand the situation.

As I understand from talking to the gentleman from Alabama and also the chairman of the Committee of the Whole, the chairman will recognize two on the minority side and two on the majority side on each title to offer amendments as we go along with the bill, and that he also expects as the fourth amendment to recognize some one who desires to strike out the major portion of the title or the entire title. Is this the gentleman's understanding?

Mr. BANKHEAD. If the gentleman had that understanding with the gentleman from North Carolina [Mr. WARREN] I am sure he will carry it out. I have not discussed the details of recognition at all with the gentleman from North Carolina.

Mr. SNELL. That is the way I understand it and I want to be sure my understanding is correct.

Mr. BANKHEAD. I would like to get this question cleared up and then I shall reserve the balance of my time. I will say to the gentleman from New York [Mr. SNELL] that a little later in the debate I think we can have an understanding.

Mr. Speaker, I reserve the balance of my time.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BANKHEAD. I have promised all the time I have, I will say to my friend from Missouri.

I yield five minutes to the gentleman from New York [Mr. O'CONNOR] in opposition to the rule.

Mr. O'CONNOR. Mr. Chairman, I believe this is one of the most important amendments to the bill. You have heard it discussed before. It raises the exemption to \$2,000. It takes care of practically two-thirds of the employees of the Government. As I said this afternoon, of the 1,023,000 employees of the Government, 681,000 would not be affected. The cut would affect only 341,000 employees, or those with salaries above \$2,000, and then 11 per cent of that excess.

As I tried to say when my time expired this afternoon, while my amendment saves only about \$18,500,000 as compared with the \$67,000,000 which it is claimed would be saved under the Economy Committee plan, I think the amount involved is no answer because, as I said this afternoon, the Economy Committee started at the wrong end. It started to look for \$67,000,000 to save and then to spread it over practically all Government employees, instead of taking what would be a fair, reasonable, and equitable cut in the salaries of the employees and looking for the other savings elsewhere.

I heard the gentleman from Iowa [Mr. RAMSEYER] talk about the crisis we are in or facing or what not. I heard his plea, as to the effect on business of what we do here on

salary reduction. I tried to interrupt him to ask him whether or not he thought the amendments he caused to be adopted to the tax bill, the increasing of income taxes and the increasing of estate taxes, had helped business in any way.

Mr. RAMSEYER. I wish to correct the gentleman. My amendment went to the estate tax and not to the income tax.

Mr. O'CONNOR. Well, then, the estate tax. Even that had the reverse effect on business and did not help business in any way.

Then the gentleman says that if you take \$50,000,000 out of this bill, as my amendment does, you should find \$50,000,000 somewhere else. That is no answer in equity. The answer is this: Is this the last economy proposal this committee is going to offer in this session of Congress? Is this its whole job—an attempt to save merely \$200,000,000 out of a Budget of \$4,000,000,000? When the country is talking about reducing Government expenses by 50 per cent, is this all you can do by way of effecting that saving? Fifty million dollars does not amount to a great deal under the circumstances, because it must be that the committee is coming in with other consolidations and with other reorganizations to save additional money. The fallacy is that the committee started out the very first thing to take one-third of the \$200,000,000 it proposed to save from the employees of the Government. I submit that policy was wrong; that salaries should have been the last thing to be touched. Reduce them if necessary; lower salaries and eliminate positions if necessary; but the committee should have first sought some other place to effect savings instead of taking one-third of the entire savings from the employees of the Government.

I can not believe that this bill represents all the economy you propose to effect before we adjourn this session or before another fiscal year.

I therefore submit that my amendment will at least give some measure of assurance to the little fellow who is getting \$2,000 a year or less. If you take from the Government employee receiving \$2,000 a year \$110, or about \$10 a month, that may be just the differential, just the margin, between living and merely existing. If you take \$1,000 off a \$10,000 man, that is not comparable to taking \$10 a month off a \$2,000 employee. The latter may deprive a man from living in the place where he now lives; it may make him surrender his life insurance; it may make him give up that little margin of pleasure; it may cause him to take his children out of school.

This furlough plan supported by the gentleman from Iowa [Mr. RAMSEYER] is the most unfair of all plans. To salaries of \$4,300 it means much more of a reduction to every employee of this Government than this 11 per cent plan. For instance, the \$1,800 man under the furlough plan will lose \$150; under the 11 per cent Economy Committee plan he will lose only \$88. Under my plan he loses nothing. The furlough plan is just adding insult to injury as compared with the Economy Committee plan. I am accepting the Economy Committee plan in preference to the furlough plan but making the exemption \$2,000 instead of \$1,000. My plan will permit a man to live and not put him in the position of merely existing. [Applause.]

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield 30 minutes to the gentleman from Indiana [Mr. PURNELL], to dispose of as he sees fit.

Mr. PURNELL. Mr. Speaker, I yield myself five minutes. Mr. Speaker, I intend to support this rule, and I sincerely hope it will be adopted by the House. [Applause.] Neither the rule nor the bill which it makes in order is entirely satisfactory to me, but this House can not afford to go before the country and take the position that it is opposed to the consideration of any measure which offers any hope of economy. [Applause.]

The country is not interested in the intricacies of rules or methods of procedure. It is not interested in the details of this rule nor the bill which it makes in order, but it is

vitaly interested in having us as Representatives put into practice as quickly as possible a rigid program of economy. Agriculture, industry, and labor have all taken their cuts. It is high time that the Federal Government take its cut. This rule opens the way for that procedure. Now is the time for us to give evidence of our own good faith to the country by first of all reducing our own salaries. [Applause.] I shall welcome an opportunity to vote to reduce my own.

Mr. HARDY. Will the gentleman yield?

Mr. PURNELL. I have not the time; my time is very limited, as the gentleman knows.

I do not want to find fault, but I think our friends on the other side of the aisle who are clothed with responsibility have the cart before the horse. I think we should have first brought in a program of economy. We should have whittled appropriations to the bone and cut to the last penny before going to the country asking for additional taxes. We should have only called on the people to contribute in increased taxes that which is necessary to balance the Budget after all economy efforts had been exhausted.

But, be that as it may, here is an opportunity to do a real service and give evidence to the country of our own willingness to bring about a rigid economy program. I sincerely hope the House will speedily adopt this rule and immediately take up the consideration of the bill. [Applause.]

I now yield five minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, I have been bringing rules into this House for several years, but this is an entirely different and new rule.

From my point of view this rule is not a gag rule; it is a fair rule, and if the gentleman from North Carolina, who will be in the chair during the consideration of the bill, will state to the House his understanding of the proposition I made to the gentleman from Alabama [Mr. BANKHEAD], so that there will be no question about recognition for making the individual motions, I do not think that anybody can reasonably object to the rule.

Mr. BANKHEAD. I have had a conversation with the gentleman from North Carolina, and he is here and can speak for himself.

Mr. SNELL. I yield to the gentleman from North Carolina, who will be in the chair, to answer for himself.

Mr. WARREN. I stated to the gentleman from Alabama this morning, and will state to the House, that if the rule is adopted, it will be my purpose and my desire to recognize two gentlemen on each side of the House to offer vital amendments.

I go further and say that I will not consider any pro forma or dummy amendment, that all of them must be vital amendments affecting the bill itself.

Mr. SNELL. And one thing further. If at the fourth amendment some gentleman is on his feet and wants to strike out an important part of the title under consideration or the entire title, that gentleman should be recognized to offer that amendment.

Mr. WARREN. I would regard that as a most vital amendment and subject to recognition.

Mr. SNELL. With that assurance upon the part of the gentleman who will be in the chair during the consideration of this legislation, certainly the bill will be fairly considered in the House, and it will give every man a fair chance.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Not at present. As I understand the situation, the country as a whole does not care whether this is brought in under a rule or in any other way. What the country wants is to have this House go on record for an economy program, it does not make any difference how or when or where.

Mr. SCHAFER. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Not now. If by any chance it should go out to the country to-day that the House of Representatives, which has a record for considering things with a fair degree of efficiency and consideration, refuses to consider an economy program, it will be one of the worse catastrophes that

has ever happened to this country. If you do not want the rule as it is now, vote down the previous question and write your own rule, but do not defeat the rule.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. SNELL. I have already told the gentleman that I could not yield.

Mr. YATES. I want to know whether there will be separate votes.

Mr. SNELL. There are to be 40 separate votes.

Mr. YATES. Will there be a separate vote upon the 11 per cent?

Mr. SNELL. Yes.

Mr. YATES. I want to vote against it.

Mr. SNELL. The gentleman will have plenty of opportunity to do it. He will have a right to vote for the President's program, for the 11 per cent program, or for the program of the gentleman from Missouri [Mr. COCHRAN]. There will be plenty of opportunity to vote on each one of these propositions, but, gentlemen, we must consider an economy program here to-day. [Applause.]

Mr. BANKHEAD. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Speaker, this is a gag rule. There is no question about that, because the gentleman from Alabama [Mr. BANKHEAD], in explaining the rule, stated, "We will permit a certain gentleman to offer an amendment increasing the exemption to \$2,000." There is the evidence, you all heard it—not that the House would permit the offering of amendments, but that "we, your rulers, will permit a gentleman to offer an amendment increasing the exemption to \$2,000." If that is not a clear exhibition of a gag, I would like to know what it is. The father of the House, that lovable gentleman from North Carolina [Mr. POU], chairman of the Committee on Rules, was quoted in a paper the other day as having said, "It is the damndest rule we ever got." That is the sentiment of a gentleman old in years and honors, and loved and esteemed by all, and I take his word against the world.

We had a bill under consideration not long ago raising a revenue of approximately \$1,000,000,000, and no rule was sought on that. It was thrown open here, but now comes along a cut that is equivalent to about \$200,000,000, or one-fifth of that amount, and we are bound hand and foot, and gagged by a rule. What does it say? Speaking of the time allowed, it says:

One-half to be controlled by the chairman of the Economy Committee and one-half by the ranking minority member of that committee.

It does not say whether the ranking member of the minority is opposed to the bill or in favor of the bill. Both sides might be in favor of it, and where are we going to get off at that rate of going?

Then here is another thing new in legislation. We are presented with the spectacle of the four horsemen. Each one of these horsemen has a right to offer an amendment, we are told. Oh, it is said that we will be taken care of. How do we know we will be taken care of? Perhaps the four horsemen may each offer 10 amendments, and if they offer 10 amendments, the four horsemen of the committee will have offered the 40 amendments that are allowed to the bill. [Applause.]

The SPEAKER. The time of the gentleman from New York has expired.

Mr. BANKHEAD. Mr. Speaker, I yield five minutes to the chairman of the committee, the gentleman from North Carolina [Mr. POU].

Mr. POU. Mr. Speaker, the language quoted by my good friend from New York [Mr. BOYLAN] and attributed to me was not directed against the merits of the rule or the rule itself but at the difficulty in drafting such a rule. It has been an exceedingly difficult rule to get in shape, and I may have used language in effect as quoted by my friend, but it was not used in the way attributed to me.

Mr. Speaker, this is a most important moment in the history of this House. I have seen the cost of government mounting from year to year without any successful effort

put forth to curb expenses. Since 1925 the cost of government has increased more than a billion dollars, and at this moment we have pending in another body a bill which will increase the burden of taxation to the American people something more than \$2,000,000,000. The hour has struck when we must do something to reduce the expenses of government. The gentleman from New York [Mr. SNELL] very properly said that one of the worst things that could happen this morning is for the House to defeat this rule. Of course the rule is not exactly what many gentlemen would desire, it is not exactly what I would desire, but any gentleman who wishes to can pick flaws in almost any program of economy. The propaganda that has been put in motion against this bill has been something tremendous. Our desks every morning have communications protesting against this provision in the bill or that provision in the bill. We created an Economy Committee, composed of Republicans and Democrats, a nonpartisan committee, and these gentlemen have submitted to the House a program of economy which will save more than \$200,000,000. For God's sake, let us not slap that committee in the face this morning; let it not go forth to the American people that at the very first opportunity the House of Representatives has had we have voted down a proposal to economize in the sum of \$200,000,000, and that is the message that will go forth if you defeat this rule.

All the money which the American people will get to run their Government will come from their own taxation. We read in the press reports from abroad that any debt to America is not even considered in the budgets of European nations. When I remember that during the war we were going all over America begging people to buy Liberty bonds down to \$50, that we might pour the proceeds into the coffers of the European nations, I say no nation except a nation of hogs would repudiate such obligation. [Applause.] If they do repudiate it I, for one, shall be always opposed hereafter to sending any American to sit in at any of their hypocritical, scheming conferences called for any purpose. [Applause.]

Mr. Speaker, I do not claim to be any more virtuous than any other Member of this body. I do not claim to be any more earnestly in favor of economy than other gentlemen here are; but I repeat, we can not afford to vote down this proposition this morning. We ought to stay here until winter comes, if necessary, to carry out our pledge to the American people and to save now \$200,000,000. [Applause.]

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. PURNELL. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. LA GUARDIA].

Mr. LA GUARDIA. Mr. Speaker, this is not the last day of the session of Congress. The fiscal year does not commence until July 1. I submit that it is not fair for any Member to take the floor and send word to the country that if this rule is not adopted there will be no economy. That is not a correct statement. We are justified in voting down this rule on the contents of this hodgepodge, miscellaneous bill brought in by the Committee on Economy. [Applause.]

I, for one, do not believe in legislation by selectivity. The limitation of amendments—and the selection of such amendments—is just that. I have never seen such a spectacle in 14 years, where the members of the Rules Committee, becoming rattled and demoralized, bring exhibits onto the floor of the House, put the Chairman of the Committee of the Whole on the parliamentary spot as to what he would do contrary to his rights and privileges and duties in presiding over the Committee of the Whole. It is only fair to add that the whole House has confidence in the gentleman from North Carolina, Mr. WARREN, who is an excellent Chairman. Our complaint is not against him. It is against this rule.

Mr. Speaker, I call attention to a statement made by the distinguished gentleman from New York [Mr. O'CONNOR], a member of the Rules Committee, who frankly informed the House:

If the rule does pass, I shall seek to obtain recognition to increase the exemption from \$1,000 to \$2,000. I have fought in the Rules Committee for an exemption of at least \$2,500. It was impossible to get recognition at that figure. Lower figures were

offered and a compromise was worked out that possibly a figure of \$2,000 would be fixed, and on the theory that this is better than nothing or twice as good or many times as good as the \$1,000 exemption, I hope to be recognized, if this rule does by any chance pass, to offer that exemption.

That is enough to prove that it is a gag rule of the worst kind. [Applause.] The gentleman frankly stated he had to submit and accept a lower figure in order to obtain recognition. I wonder how many of the members of the Committee on Rules have made a study of this bill. Let the country know that all we ask to-day is not to slap this rider, covering every department of the Government, flying right in the face of the Constitution, on an appropriation bill, but bring it before the House, under the rules of the House, for intelligent discussion. [Applause.]

The gentleman from North Carolina [Mr. POW] stated that word had been received from Europe, from foreign countries, that we were to expect no payment of the debts. That, indeed, is a startling piece of information; but, Mr. Speaker, if that is true, we must deal with that subject on its merits and not make the underpaid employees of the Government pay the debts of Europe. [Applause.]

I submit to every Member of the House the repeated statements made by the President of the United States that this was no time to reduce the wage scale; that this was no time to lower the purchasing power of the American people; and yet, disregarding all that admonition, disregarding every sound principle of economics, here, in a play to the boxes—not a play to the galleries but in a play to the boxes—there is brought forth a bill of this kind.

Why the abolition of the Army and Navy Transport Service? I dare the committee to tell all of the truth as to who inspired that. If that is passed, I will promise you a scandal that will stink to heaven. I know what is back of it, and so do some of the other members of the Economy Committee. [Applause.]

The SPEAKER. The time of the gentleman from New York has expired.

Mr. PURNELL. Mr. Speaker, I yield five minutes to the gentleman from California [Mr. SWING].

Mr. SWING. Mr. Speaker, in the 11 years I have had the privilege of serving here I have never seen a rule brought in on any bill, important or unimportant, that contained the vicious provisions which this bill contains.

Some one has said apologetically in behalf of the rule that it was neither a rule for the full consideration of the proposal nor was it a gag rule. That is one of the things I object to. I would rather be frankly and openly gagged so I could go home to my people and say that my hands were tied and my mouth was closed and I was never afforded an opportunity to present the views which they wanted presented, or the amendments which they desired adopted. But this rule goes to the country with the declaration that four amendments may be offered to each title. The folks back home will think that title means subject and that four amendments may be offered to each subject matter, and they will wonder why you sat in your seat silent, apparently unwilling to present their views and unable to even get a vote on the amendments which they desired to have considered and voted upon.

Consider this bill by title. Title I has 12 sections. Each one deals with a separate and distinct subject matter.

Title II has 10 sections, each one dealing with a separate and distinct subject. Title III has 24 sections, and each and every one of them dealing with a vital and independent subject matter, but to each title four amendments may be offered, and no more! In all probability you will not even get a chance to move to strike out one of these sections, because the four privileged amendments will already have been offered by those who have the privileged right to be recognized, two on the Democratic side and two on the Republican side.

This bill, which contains revolutionary provisions, which commits the United States Government to leading the country in wage slashing; this bill, which commits the United States Government to the dishonor of taking from honor-

ably discharged veterans those benefits which Congress and the American people have said rightly belong to them, was written behind closed doors. This bill is filled with provisions of which you do not know the meaning or effect. No one opposed to any of these provisions had an opportunity to appear before the committee and present his views to the committee, and no one, apparently, is going to be permitted to appear before this House and explain why any of these provisions should not be adopted or to move to strike them out. To the four amendments that may be offered, no one can offer an amendment to perfect such an amendment. Think of it, think of it! Probably an amendment will be offered which needs to be perfected. Neither you nor I nor anyone can offer an amendment to perfect such an amendment. It must be swallowed raw and whole. You are not going to be given the right to vote your own judgment. You must vote for one of the selected amendments offered to a provision of the bill. You will have to content yourself with the sorry satisfaction of voting for the lesser of two evils.

I hope this rule will be voted down and the Committee on Rules instructed thereby to bring in a proper rule, to let this House consider what is in the bill, amend, and vote on it intelligently and in an orderly, legislative way. [Applause.]

Mr. PURNELL. Mr. Speaker, I yield two minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, there are many provisions in this bill that I would like to vote for.

If we adopt this rule we might be forced to vote for the entire bill in the end and be classed with those in the House voting against economy.

I have heard of orators yielding to the intoxication of rhetorical moments making rash statements. We now see the Economy Committee yielding to the intoxication of a crusading desire to effect economy and report much rash legislation. I can not possibly vote for this gag rule, although I wish to vote for many of the items therein. I would vote cheerfully to decrease my own salary. I would vote for the President's "stagger" plan of employment; but when a rule would allow possibly only five minutes on a side to consider extremely important amendments, like the consolidation of the Army and Navy, I can not support it. The whole two hours of general debate might be taken up with matters but little explanatory of its most important items by those who will be allowed to speak during that time. Therefore, I repeat, I am going to vote against this rule, for I think it is better to defeat this method of legislation, even though it might be interpreted as a vote against any economy measure. It would seem that the Economy Committee might well have reported several separate bills to be considered in the usual orderly way of our procedure.

Mr. PURNELL. Mr. Speaker, I yield two minutes to the gentleman from Indiana [Mr. WOOD]. [Applause.]

Mr. WOOD of Indiana. Mr. Speaker, I accept the challenge thrown down by the gentleman from New York and I repeat what has been said by the gentleman from the State of North Carolina, that if this rule is voted down there will be no economy bill passed by this House. [Applause.]

Mr. GILCHRIST. How does the gentleman know?

Mr. WOOD of Indiana. I know by reason of the experience we have had before this committee, which has been working for more than six weeks. There is not an item and there is not a title in this bill but what has been opposed by somebody.

The whole country is looking to this Congress for a reduction in the expenditure of public money, yet the very people who are sending us these telegrams and these letters demanding that this be done are likewise asking that this thing or that thing be not touched. So do not be deluded. If this rule is voted down and if this measure is to be considered subject to the rules of the House, there will not be one of the titles, in my opinion, that will pass this House.

All of us must make sacrifices. During the war we made these sacrifices for the benefit of this country. I want to say to you that to-day this country is in worse condition

economically by far than it was then. You can not content yourselves by saying you voted against this bill because you did not like this item or that item. If that were to be the excuse or the reason for the excuse there is no chance whatever to pass an economy bill worthy of the name.

I repeat that if we do not accept this rule to-day no economy bill will pass this House. [Applause.]

[Here the gavel fell.]

Mr. PURNELL. Mr. Speaker, I yield two minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY of Pennsylvania. Mr. Speaker, I am in direct opposition to the philosophy of my friend from Indiana who has just spoken. [Applause.] I believe that if the news should go out to this country that this gag rule has been overwhelmingly defeated it would be a splendid inspiration to the people of this Nation. It would be a declaration that Congress is opposed to retreating into the swamp any farther and that we intend to so act as to assure an upward trend in employment and purchasing power in this country. [Applause.]

I have returned this morning after a campaign in my own district, once the workshop of the world, a workshop that was filled with competent, willing workers. The mills still there able to produce abundantly, but thousands of workers are unemployed because there is no purchasing power left among the people. Therefore the mills can not be set to the task of production.

Now, you come here and ask that the United States Government accept the counsel of defeat, embrace the cult of despair, and say, "We are in the swamp now; we must go down farther still." My friends, there is no bottom to these quicksands. Make this 11 per cent cut now, and you can not stop there. You will have to cut again in the future.

Instead, I want to urge the spirit of the message General Foch sent in the darkest days of the World War. With darkness and discouragement around him he sent a telegram to Paris which ought to be in the minds of all of us to-day. He said:

My left is giving away, my right is retiring, in consequence I am ordering a general offensive, a decisive attack from the center.

Let us end these policies which betoken defeat and despair. Let us stop retreat and go forward. Let us attack this depression instead of surrendering to it. [Applause.]

[Here the gavel fell.]

Mr. PURNELL. Mr. Speaker, I yield the balance of my time to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, I agree with the gentleman from Pennsylvania that we are to-day facing an attack, and the attack is being made upon Congress because no tangible results have been obtained in the bringing about of economies, and this rule is the first step in an effort to make an effective attack on governmental extravagances.

There is just one thing before this House at this time, and that is not the merits of this economy bill; it is whether or not this Congress is going to permit itself to vote upon the question of economy. I am not for everything in this bill. There is no man here who is. I shall vote against some of its provisions. I have been opposed all along to this method of trying to bring about economy, because you can not do it. The Congress should give the Executive the power which he requests, and then we would get action without this trading and quarreling and shadow boxing on the floor. This rule is the method selected by the organization in power for the purpose of considering this economy legislation; and regardless of the attitude of those in power, I conceive it to be the duty of all those desiring economy legislation to accept the only method of consideration proposed and to go along with this rule and attempt to help our brethren in any effort that might prove effective.

I say to Republicans: We can not afford as the minority party to place a single stone in the path of those responsible for legislation in any apparent effort to bring about the economy which the American people are demanding. [Applause.]

The purpose of this rule is to do one thing. It is to bring this bill before the House. It is not a gag rule as gag

rules are oftentimes defined. It is a liberal gag rule. [Laughter and applause.]

Those familiar with the rules understand that all rules reported from the Committee on Rules to some extent deprive individuals of rights which they would otherwise have under the general rules of the House. Therefore all rules are gag rules, varying only in degree. This rule permits two hours' general debate, and as has been explained by the gentleman from New York [Mr. SNELL], an opportunity will be given to vote on the 11 per cent wage cut or upon the furlough plan. Those favoring a higher exemption than \$1,000 will have an opportunity to so vote, and provision is made so that a square vote can be had on the elimination of any title in the bill. A bill bringing about well-balanced consolidations, eliminations, and economies can not be written on the floor or in a mass meeting any more than a proper tax bill could be written on the floor. Some one must assume the responsibility; and even though our majority friends have protested in other days that they would never permit legislation to be brought on the floor other than under the general rules of the House, yet it is evident that they are learning from experience, and the leaders are to be congratulated upon this effort, unsuccessful though it may be.

If the House is to accomplish results, it must be able to function. All legislation is a matter of compromise. Our constituents want action. The taxpayers want relief, and they are not interested in the niceties of parliamentary procedure, and I hope that this rule will be adopted. [Applause.]

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I want to state to the Members of the House that in response to the suggestion made by the minority leader, the gentleman from New York [Mr. SNELL], immediately upon the conclusion of the time devoted to the debate on the rule, I shall offer an amendment to the proposed rule in the following language:

Page 2, line 4, after the word "Chair," strike out the period, insert a colon, and add the following:

"Provided, That this limitation on the right to offer amendments shall not apply to amendments that may be offered by direction of the Economy Committee."

In the event gentlemen may have misunderstood the purpose of this—and I want to say candidly that it was offered for the purpose of liberalizing still further the provisions of the rule—if the Economy Committee in the consideration of this bill sees fit to bring in an amendment of some sort that they want to suggest, that amendment may be open to free amendment regardless of the rule here, and the amendment shall not be included in the four amendments that are provided for under the rule.

I think all gentlemen who are familiar with the rules of the House will understand the purpose of this. It is not to further restrict, but it is for the purpose of liberalizing opportunity of amendment under the rule and not to have any of the four amendments taken away from them.

A number of gentlemen suggested the amendment that has been proposed here, gentlemen who are interested in liberalizing to this extent the rule that is now presented. I do not care to take further time to explain it. I think all gentlemen understand it.

I desire to state a few words in conclusion in reference to the general proposition involved in the rules.

Mr. MAY. Will the gentleman permit a suggestion?

Mr. BANKHEAD. What is the gentleman's suggestion?

Mr. MAY. I want to hear the amendment read, because I was unable to hear it.

Mr. BANKHEAD. It will be reported at the desk again in a moment, and I do not wish to make a further explanation of it.

Mr. GLOVER. Will the gentleman yield for one question?

Mr. BANKHEAD. What is the question?

Mr. GLOVER. If I understand the gentleman's amendment, it simply liberalizes the rule so that the membership of the House, outside of the committee, may offer these four amendments.

Mr. BANKHEAD. That is exactly the purpose of it. I can not submit to any further interruptions, although I would like to do so.

I want to make this concluding statement with reference to the general proposition involved in the rule.

This is no pleasant duty that the members of the Rules Committee are engaged in here this morning. No member of the Rules Committee and no Member who shall support a Committee on Economy are deriving any pleasure out of that effort. If we had our own will and way about it, a measure of this sort would not be presented to the House of Representatives for its consideration. The only justification on earth for this bill is the urgent, emergent necessities of our Government, and that is the whole proposition presented here. [Applause.]

I want to say to you that as far as a great number of the personnel in the Government service are concerned, including those I have heard from in my district and in other sections of Alabama, they have directed me, so far as I could say it for them, recognizing this is a temporary emergency measure for the great Government that for years and years has employed them, that has never failed them at pay day and has given them liberal terms for retirement at the expiration of their service, that as far as they are concerned they are willing in this hour of extreme necessity to go along themselves and make some little sacrifice to preserve the integrity of our Government's financial standing. [Applause.]

I can not subscribe to the doctrine that has been announced here that the taxpayers of the United States should be burdened with the duty of preserving the wage scale of industry in America, nor do I believe that this resolution will have any serious effect with reference to the pay roll of those engaged in industry. They have already reduced their pay rolls. The great brotherhoods of railroad people have voluntarily taken a cut. Every town official in this country has voluntarily, or by action of the municipal board, taken a reduction in order to meet the desperate emergencies of the present situation.

Now, gentlemen, here is the question, and I submit it to you in all candor. It is not a pleasure, as I say, for us to bring this rule here. This legislation does not represent your individual wishes or mine. The question here, and the only question, and it is your individual responsibility, and I am not censuring your action—I am only answerable to my own conscience and to my own constituency—it is an individual proposition. Will you vote, by voting against this rule, to deprive the House of Representatives of even the naked opportunity of considering this program of economy? [Applause.]

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BANKHEAD: Page 2, line 4, after the word "Chair," strike out the period, insert a colon, and add the following:

"Provided, That this limitation on the right to offer amendments shall not apply to amendments that may be offered by direction of the Economy Committee."

Mr. BANKHEAD. Mr. Speaker, I move the previous question.

Mr. BLANTON. Mr. Speaker, can not we withhold that until we vote on this amendment?

The SPEAKER. The gentleman from Alabama moves the previous question.

The question was taken; and the Speaker announced that the yeas seemed to have it.

Mr. BANKHEAD. Mr. Speaker, may I be allowed to make a statement? I want to say that this is a matter of a little embarrassment to me. I thought that I had six minutes remaining, excluding two that I promised to yield to the gentleman from New York [Mr. CULLEN]. I do not want to put myself in the position of breaking faith with the gentleman, and I therefore ask unanimous consent that the gentleman from New York may have two minutes outside of the time allowed on the rule.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CULLEN. Mr. Speaker, I am opposed to the adoption of this rule. Surely we are not going to act so hastily in a matter of such vital importance and of such far-reaching consequences.

It seems to me that all fair-minded Members of Congress must realize that a measure involving a reduction in American living standards for the thousands of Government employees should be considered most carefully and acted upon in a thoroughly deliberate and conscientious way.

I consider this destructive legislation with the label of economy attached, and it has now reached the stage where the Government itself might be disrupted and the efficiency of the departments seriously impaired. It will also threaten the security of and of necessity be an undue hardship to the thousands of efficient men and women who work for the Government.

Is it not time to halt this scramble? Is it not the duty of the membership here to point out the cruel inconsistencies and the deplorable results of these disconnected and unrelated series of moves?

We should call a halt to what has become a misdirected and mad rush for economy. There are sane and sound ways of avoiding the bludgeoning of employees and paralyzing the necessary functioning of our Government.

The proposed bill is what I would term a legislative monstrosity and is not worthy of intelligent or honest discussion, and if we do our duty as we should, this rule and bill should be soundly and decisively beaten.

I yield to my colleague [Mr. MEAD].

Mr. MEAD. Mr. Speaker, I appreciate the honor of closing the debate on this rule. I am not going to vote for this rule or any rule with undue haste. I challenge any man or Member of the House, or member of the Economy Committee, to prove to this House that a wage reduction is the proper way out of this crisis. Look at the experience of Europe in reduction of wages, the destitution and ruin it brought to them. I ask you to look at the experience of private industry of America, to what happened to the coal, the iron and steel, the railroad industries. I say to you and to the Economy Committee that these wage cuts are only sinking America deeper in the mire, and I plead to you to kill this rule, which is not pointing the way out. It is beneath the dignity of this body. Let us carefully consider this question before we act. [Applause.]

PUBLIC WELFARE DEMANDS DEFEAT OF FEDERAL WAGE-CUT MEASURES

This House is now confronted with an imposing bill which, in substance, proposes sweeping cuts in Federal and postal wages, the drastic reduction of existing employment standards, and the nullification of many enlightened labor advances made during recent years. This legislation, if enacted into law, is certain to have a profound and far-reaching effect on the public welfare, the efficiency and dependability of the public service, and the well-being of labor generally. Therefore the moving purpose that prompts this legislation must be of extraordinary moment so as to give warrant to its sponsors in urging its adoption. It must be grounded in a proper concern for the national welfare and for the restoration and maintenance of prosperity. By this test it must be judged. If it fails in this, it fails in everything.

While this campaign to cut Federal wages has been going on for many months, and while many men have advocated such salary cuts on this floor, there has been no bill of particulars presented as to just what these wage-cut proponents have in mind as to why wages should be reduced, or as to what was expected to be accomplished by such reduction. Various arguments have been advanced in support of wage slashing, but they have been general rather than specific, and despite its far-reaching importance there has been no program or definite declaration of purpose set down by the wage-cut advocates. In a general way the changes have been rung in turn on the following wage-cut arguments: It has been urged that the wages of Federal employees

should be cut because workers in private industry have had their wages reduced. The reduction in the cost of living has been another argument advanced to justify a wage reduction.

Another reason cited has been the declining returns of agriculture and industry, the necessity of reducing taxes, and the good psychological effect that a cut in Federal wages will have in public sentiment and industry generally. The crowning reason advanced, however, in support of the proposed wage cuts has been that the National Budget must be balanced and that the saving effected through a reduction in Federal wages was part of a general program to achieve this end. Broadly speaking, it has been conceded that Federal and postal employees now receive a modest wage for service performed. Little or nothing has been said by the wage-cut advocates as to what effect these wage reductions will have on the return of normal business conditions or the restoration of prosperity. On this major item of the whole proposition they have been exceedingly vague, if not altogether silent.

The foregoing summarizes the wage-cut situation from its proponents' point of approach. This summary shows that they expect, through the enactment of Federal wage-cut legislation, to accomplish certain things, and it is to be assumed that they recommend this legislation with the thought that its adoption will promote the public interest. On this score I take sharp issue and declare that in every item and particular these wage-cut proposals are fundamentally unsound and that they will do none of the things that their advocates say they will do.

The present business depression, dating from the stock-market crash of November, 1929, has been a season of retrenchment extraordinary. Salary slashing has been the order of the day, resulting finally in a vicious circle of wage cuts, lessened consumption, and declining business volume. It is a familiar story. The record is so complete that none can disregard it. Each succeeding wage cut has made matters worse, benefiting none and injuring all.

Moreover, in the past seven years every European country has been afflicted with this same wage-cutting policy, and with exactly the same results. There is no exception to the rule. Unemployment, misery, and destitution, declining production volume and investment returns, higher taxes, reduced public revenues, and disorganized business generally have followed in the wake of wage reductions. The record is complete, and all who run may read. The coal miners have suffered sharp reduction in wages. More recently the employees in the iron and steel industries had their wages cut, and still more recently the railroad workers were compelled to accept a 10 per cent wage cut on the general proposition that it was essential for the welfare of the transportation industry. What has been the result? Did these wage cuts increase the market value of the concern, bring greater returns to their operators, stimulate and increase production, or tend to promote local or national prosperity? These wage cuts did none of these things. They caused the exact opposite to happen.

One of the chief reasons advanced for a reduction in Federal wages is the fact that a heavy national deficit of more than \$2,000,000,000 is in prospect for the current fiscal year. Accepting that estimate, let us inquire how this deficit happens to be? It is not due to increased Federal expenditures, many of which were intended to answer unemployment needs, as it was due to a sharp drop in Federal income, a drop that has kept pace step by step with the wage cuts that have been made in private industry. According to President Hoover's annual message, the fall in Federal receipts for the present fiscal year amounted to \$1,683,000,000, of which \$1,034,000,000 was in individual and corporate income taxes alone. Simply stated, reduced wages have resulted in less consumption, and this in turn has set in motion a series of reductions which has finally found its full reflection in a staggering annual loss in wealth production throughout the country. Here we find the major cause of the present national deficit; that is, a wage-cutting policy resulting in a stupendous loss in national income. Now it

is seriously proposed that the Government on its own account, and as an example, order a sharp cut in the wages of its own employees, and to do this thing on the general concept that the public interest will be served thereby. Could any proposal be more absurd? It would make a bad situation much worse.

Mr. BANKHEAD. A parliamentary inquiry. Did the Speaker put the question on my amendment?

The SPEAKER. The Chair put the question on the motion of the gentleman for the previous question.

Mr. BANKHEAD. I move the previous question on the amendment.

Mr. LA GUARDIA. What happened to the vote that we have already had?

The SPEAKER. The Chair did not announce the vote. The Chair said that the yeas appeared to have it, and then the gentleman from Alabama asked that the gentleman from New York might proceed for two minutes.

The previous question was ordered.

Mr. BANKHEAD. Mr. Speaker, I ask for a vote on the amendment.

The question was taken; and on a division (demanded by Mr. BANKHEAD), there were 205 yeas and 14 noes.

So the amendment was agreed to.

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The SPEAKER. The question is on ordering the previous question.

The question was being taken, when Mr. BANKHEAD demanded the yeas and nays.

The yeas and nays were ordered.

Mr. McCORMACK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McCORMACK. My inquiry is as to whether or not this vote means that we are voting in favor of the adoption of the rule?

The SPEAKER. No; it does not. The House is voting now on the previous question.

Mr. McCORMACK. And if the previous question is adopted, then the question will come upon adopting the rule?

The SPEAKER. That is correct.

The question was taken; and there were—yeas 315, nays 60, not voting 56, as follows:

[Roll No. 55]
YEAS—315

Adkins	Carden	Disney	Hancock, N. Y.
Aldrich	Carley	Dominick	Hancock, N. C.
Allen	Carter, Calif.	Doughton	Hardy
Allgood	Cartwright	Douglas, Ariz.	Hare
Andrew, Mass.	Cary	Douglass, Mass.	Harlan
Andrews, N. Y.	Celler	Doutrich	Hart
Arnold	Chindblom	Doxey	Hartley
Auf der Heide	Chiperfield	Drewry	Hastings
Ayres	Christgau	Dyer	Haugen
Bacharach	Christopherson	Eaton, N. J.	Hawley
Bachmann	Clague	Elzey	Hess
Bacon	Clancy	Eslick	Hoch
Baldrige	Clark, N. C.	Evans, Calif.	Holaday
Bankhead	Clarke, N. Y.	Flesinger	Hollister
Barton	Cole, Iowa	Fish	Holmes
Beedy	Cole, Md.	Fishburne	Hooper
Black	Collins	Flannagan	Houston, Del.
Bland	Colton	Foss	Howard
Blanton	Condon	French	Huddleston
Bloom	Connery	Fuller	Hull, Morton D.
Boehne	Cooper, Ohio	Fulmer	Hull, William E.
Bohn	Cooper, Tenn.	Gambrill	Jacobsen
Boileau	Corning	Garber	Jenkins
Boland	Cox	Garrett	Johnson, Okla.
Bolton	Coyle	Gasque	Johnson, Tex.
Boylan	Crail	Gibson	Johnson, Wash.
Brand, Ga.	Cross	Gifford	Jones
Brand, Ohio	Crosser	Gilbert	Kading
Briggs	Crowther	Gilchrist	Kahn
Britten	Crump	Glover	Karch
Browning	Culkin	Golder	Kelly, Ill.
Brunner	Cullen	Goldsborough	Kelly, Pa.
Buchanan	Dallinger	Green	Kemp
Buckbee	Davenport	Greenwood	Kerr
Bulwinkle	Davis	Gregory	Ketcham
Burch	Delaney	Guyer	Kinzer
Burdick	DeRouen	Hadley	Kleberg
Busby	Dickinson	Haines	Kniffin
Byrns	Dickstein	Hall, Ill.	Kopp
Cable	Dies	Hall, Miss.	Kunz
Campbell, Iowa	Dieterich	Hall, N. Dak.	Kvale

LaGuardia	Michener	Reilly	Temple
Lambertson	Millard	Rich	Thomason
Lambeth	Miller	Robinson	Thurston
Lamneck	Milligan	Rogers, Mass.	Tierney
Lanham	Mitchell	Rogers, N. H.	Tilson
Lankford, Ga.	Mobley	Rudd	Timberlake
Lankford, Va.	Montague	Sabath	Treadway
Larsen	Montet	Sanders, N. Y.	Turpin
Lea	Moore, Ky.	Sanders, Tex.	Underhill
Leavitt	Morehead	Sandlin	Underwood
Lehlbach	Mouser	Schneider	Vinson, Ga.
Lewis	Nelson, Me.	Seger	Vinson, Ky.
Lichtenwalner	Nelson, Wis.	Seiberling	Warren
Lindsay	Niedringhaus	Selvig	Wason
Linthicum	Norton, Nebr.	Shallenberger	Watson
Loneragan	Norton, N. J.	Simmons	Weaver
Lovette	O'Connor	Sirovich	Weeks
Lozier	Oliver, Ala.	Smith, Idaho	Welch, Calif.
Luce	Oliver, N. Y.	Smith, Va.	Welsh, Pa.
McClintic, Okla.	Overton	Snell	West
McClintock, Ohio	Palmsano	Snow	White
McCormack	Parker, Ga.	Somers, N. Y.	Whitley
McDuffie	Parker, N. Y.	Sparks	Whittington
McGugin	Partridge	Spence	Wigglesworth
McKeown	Peavey	Stafford	Williams, Tex.
McLaughlin	Perkins	Steagall	Williamson
McMillan	Person	Stevenson	Wilson
McReynolds	Pettengill	Stewart	Wingo
Maas	Polk	Strong, Kans.	Withrow
Major	Pou	Sullivan, N. Y.	Wolcott
Maloney	Prall	Summers, Tex.	Wolverton
Manlove	Pratt, Harcourt J.	Sutphin	Wood, Ga.
Mansfield	Pratt, Ruth	Swank	Wood, Ind.
Mapes	Purnell	Sweeney	Woodruff
Martin, Mass.	Rainey	Taber	Woodrum
Martin, Oreg.	Ramseyer	Tarver	Wright
May	Rayburn	Taylor, Colo.	Yon
Mead	Reed, N. Y.	Taylor, Tenn.	

NAYS—60

Almon	Englebright	James	Ramspeck
Amile	Evans, Mont.	Johnson, Mo.	Rankin
Arentz	Fernandez	Keller	Reid, Ill.
Barbour	Fitzpatrick	Kennedy	Romjue
Beam	Frear	Loofbourov	Schafer
Bowman	Fulbright	McSwain	Schuetz
Butler	Gavagan	Moore, Ohio	Shannon
Cannon	Goodwin	Nelson, Mo.	Shott
Carter, Wyo.	Goss	Nolan	Sinclair
Cochran, Mo.	Granfield	Parks	Summers, Wash.
Cooke	Hill, Ala.	Parsons	Swanson
Curry	Hill, Wash.	Patman	Swing
De Priest	Hogg, W. Va.	Patterson	Tinkham
Driver	Hopkins	Pittenger	Williams, Mo.
Eaton, Colo.	Horr	Ragon	Yates

NOT VOTING—56

Abernethy	Crisp	Hope	Murphy
Andresen	Crowe	Hornor	Owen
Beck	Darrow	Igoe	Ransley
Brumm	Dowell	Jeffers	Shreve
Burtness	Drane	Johnson, Ill.	Smith, W. Va.
Campbell, Pa.	Erk	Johnson, S. Dak.	Stalker
Canfield	Estep	Kendall	Stokes
Cavichia	Finley	Knutson	Strong, Pa.
Chapman	Free	Kurtz	Sullivan, Pa.
Chase	Freeman	Larrabee	Swick
Chavez	Gillen	Ludlow	Thatcher
Cochran, Pa.	Griffin	McFadden	Tucker
Collier	Griswold	McLeod	Wolfenden
Connolly	Hogg, Ind.	Magrady	Wyant

So the previous question was ordered.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Crisp with Mr. Thatcher.
 Mr. Canfield with Mr. Dowell.
 Mr. Tucker with Mr. Burtness.
 Mr. Gillen with Mr. Shreve.
 Mr. Chapman with Mr. Swick.
 Mr. Larrabee with Mr. Wyant.
 Mr. Abernethy with Mr. Erk.
 Mr. Igoe with Mr. Hogg of Indiana.
 Mrs. Owen with Mr. Johnson of South Dakota.
 Mr. Ludlow with Mr. McFadden.
 Mr. Griswold with Mr. Estep.
 Mr. Collier with Mr. Beck.
 Mr. Drane with Mr. Campbell of Pennsylvania.
 Mr. Chavez with Mr. Darrow.
 Mr. Jeffers with Mr. Ransley.
 Mr. Smith of West Virginia with Mr. Connolly.
 Mr. Hornor with Mr. Kendall.
 Mr. Griffin with Mr. Free.

The result of the vote was announced as above recorded.

The SPEAKER. The question now is on agreeing to the resolution.

Mr. CANNON. Mr. Speaker, I demand a division of the question. I ask for a separate vote on the substantive proposition contained in the sentence beginning in line 1 on page 2 and ending with line 4, as follows:

Each title as it is read shall be open to four amendments, said amendments not being subject to amendment, and no further amendments shall be entertained by the Chair.

Mr. BANKHEAD. Mr. Speaker, I suggest to the gentleman from Missouri that by the action of the House that portion of the rule has already been amended. As I understand it, the gentleman is asking for a separate vote on something that is not now in the resolution. I submit it is not divisible under the circumstances. The resolution as it now stands on which the previous question has been ordered, so far as the portion to which the gentleman refers is concerned, reads as follows:

Each title as it is read shall be open to four amendments, said amendments not being subject to amendment, and no further amendments shall be entertained by the Chair: *Provided*, That the limitation on the right to offer amendments shall not apply to amendments that may be offered by direction of the Economy Committee.

The gentleman from Missouri, as I understand it, despite the former action of the House in incorporating that amendment, is asking for a separate vote on something not now before the House.

Mr. O'CONNOR. Mr. Speaker, I desire to be heard on that point.

Mr. BANKHEAD. The gentleman is asking for something not now in the resolution.

Mr. O'CONNOR. Mr. Speaker, all the House did was to adopt the amendment offered by the gentleman from Alabama [Mr. BANKHEAD], and now, of course, that sentence, beginning on page 2, as amended, is entirely before the House. We have not yet adopted that sentence either by itself or as amended. That is the parliamentary situation.

Mr. BANKHEAD. And the previous question has been ordered on the part of the resolution now before the committee as amended.

The SPEAKER. The Chair calls the attention of the gentleman from Alabama to paragraph 6 of Rule 16:

On the demand of any Member, before the question is put, a question shall be divided if it include propositions so distinct in substance that one being taken away a substantive proposition shall remain.

The Chair has examined this substantive proposition. If you take away from the bill all of that language—

Each title as it is read shall be open to four amendments, said amendments not being subject to amendment, and no further amendments shall be entertained by the Chair—

there would still be the remainder of the resolution. It occurs to the Chair that it is a substantive proposition.

Mr. TILSON. Mr. Speaker, will the Chair hear me for a moment?

The SPEAKER. Certainly.

Mr. TILSON. In order to constitute a substantive proposition after the division of a question each of the parts must be complete so that it will stand alone. And it must work both ways. Let us try to work it in the other direction than that just suggested by the Chair. Suppose the House should vote down the first part of the proposition, what would be left if only the portion to which the gentleman makes objection remains? The four lines singled out by the gentleman from Missouri would not be a substantive proposition. It would not be a workable rule. In fact, it would mean nothing standing alone. If the House in its wisdom, when it comes to vote separately, should vote to retain the portion which the gentleman from Missouri wishes to cut out, and to eliminate the rest of the rule, what kind of a substantive proposition shall we have?

Mr. CANNON. If the sentence on which a separate vote is requested is removed, it will leave a complete and workable rule. The effect of such removal is immaterial in construing the rules of the House.

The sentence which I have quoted, and on which I ask a separate vote, is a substantive proposition among many other substantive propositions, and under section 6, Rule XVI, and a separate vote can not be denied.

Mr. TILSON. The gentleman must admit, though, that his proposition might be voted down and the other propo-

sition voted up. Suppose it should happen that the portion which the gentleman wishes to strike out was, contrary to his wishes, retained, and the other portion which he would like to have stand, should be, in the wisdom of the House, stricken out, then where would the gentleman be left? Only this one small portion of the rule would be left. It would not be a substantive proposition as far as the rule is concerned.

Mr. CANNON. The rule provides that on request there shall be a separate vote on every substantive proposition.

Mr. RAMSEYER. If the gentleman is correct, there could be a separate vote on every sentence in this rule.

Mr. CANNON. On every sentence which embodied a substantive proposition.

Mr. TILSON. The gentleman had his right before the previous question was ordered. The gentleman then had the right to move an amendment. Why did he not do it then? Why did not the gentleman have the previous question voted down and move his amendment? That was the time to act. The previous question having been ordered, if the gentleman can pick out one proposition and have it voted upon, he can pick out any other and have a separate vote on it.

Mr. CANNON. The gentleman is absolutely right. That is precisely what the rules of the House provide.

Mr. TILSON. After the previous question has been ordered can we have a vote upon every individual sentence in this rule? I do not believe that it can be done after the adoption of the previous question.

Mr. ADKINS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ADKINS. As I understand, this resolution has been read and amended and the previous question has been ordered. After all that procedure, is an amendment now in order?

The SPEAKER. This is not in the form of an amendment. It is provided for by the rules of the House of Representatives, which the Chair intends to read, and which he will read for the benefit of the membership.

Paragraph 6, Rule XVI:

"On the demand of any Member, before the question is put, a question shall be divided if it include propositions so distinct in substance that one being taken away a substantive proposition shall remain."

Now, as the gentleman from Connecticut says, if you take away the first substantive proposition—that is, all of this resolution except that included on page 2 in line 1 down to line 4—there would be nothing left except that language and the title. But on the contrary, if you take away the proposition which the gentleman from Missouri has suggested, you still have a complete rule for the consideration of this resolution.

Mr. TILSON. But the Chair must not assume that the House will necessarily take the action suggested by the gentleman from Missouri. The reverse action may be taken.

The SPEAKER. The House is supposed to act intelligently under the rules of the House of Representatives. That may be an unusual presumption, but nevertheless it is presumed to act intelligently.

The gentleman from Missouri has asked for a division of the resolution. It occurs to the Chair that if the provision that the gentleman from Missouri has suggested is voted out there will be a complete special rule remaining. So it seems to the Chair it comes within the spirit of the rule. However, the Chair will be glad to hear any gentleman on the question.

Mr. RAMSEYER. The Speaker proceeds on the assumption that the demand for a separate vote on that sentence beginning in line 1, page 2, is in the form of an amendment. It is not. If the Chair yields to the demand of the gentleman from Missouri, there will not be two propositions before the House. It will be improper for the Chair to divide this unless there are two propositions, each of which stands on its own legs. To say that the House will act intelligently on the matter, of course, is a compliment to the House, but the rules do not go on that assumption. If the Speaker will permit me to repeat, there is no division, under the

rules, unless when the division is made each proposition is a substantive proposition and will make sense in itself standing alone.

The SPEAKER. What does the gentleman from Iowa say to the language in this rule? The Chair is only attempting to construe the language of the rule:

On the demand of any Member, before the question is put, a question shall be divided if it include propositions so distinct in substance that one being taken away a substantive proposition shall remain.

Mr. RAMSEYER. But that means if either one is taken away the other one, standing alone, is a substantive proposition. Now, if the Speaker is right in the way he appears to be inclined, why could not there not be a separate vote on the next sentence, and a separate vote on the next sentence? Any one of those sentences is as much of a substantive proposition as the sentence on which the gentleman from Missouri seeks a separate vote. Now, what is left of the rule? If either of those sentences is voted on, you would have a substantive proposition left, but the test is that after dividing the parts divided each presents a substantive proposition.

Mr. BLANTON. Mr. Speaker, would the Chair hear me for a moment?

The SPEAKER. The gentleman from Texas.

Mr. BLANTON. A division has always been applicable only to that which has been placed in a bill. This resolution is exactly the same as an appropriation bill that has passed the amendment stage and is ready to be voted upon. Suppose this were an appropriation bill before the House, could any Member ask for a separate vote on a provision that was already in the bill, that was not put in by way of amendment in the Committee of the Whole? Certainly not. A separate vote on appropriation bills can only be asked for with respect to amendments that have been put in in Committee of the Whole. This resolution has passed the amendment stage. It comes before the House already amended, with the previous question adopted.

Certainly you could not take up each substantive proposition and ask for a separate vote. I submit that is the rule.

Mr. CANNON. Mr. Speaker, let me remind the Chair of two notable instances in which this identical question was presented and determined, both of them within the memory of the present distinguished occupant of the chair.

On April 8, 1908, in the Sixtieth Congress, Mr. John Dalzell, of Pennsylvania, chairman of the Committee on Rules, brought in a rule providing for the consideration of the naval appropriation bill, just as Mr. BANKHEAD, the chairman of the present Committee on Rules, has brought in this rule providing for the consideration of the legislative appropriation bill. The rule proposed exactly the kind of legislative program provided by this rule. Mr. John J. Fitzgerald, of New York, demanded a separate vote on one clause in the rule, a clause comparable in all respects with the clause on which we are demanding a separate vote to-day.

In this connection it may be recalled that the Committee on Rules at that time consisted of but three members, Mr. Dalzell, of Pennsylvania, Mr. Speaker Cannon, of Illinois, and Mr. John Sharp Williams, of Mississippi. Speaker Cannon was at that time at the zenith of his power. His control of the legislative program of the House was absolute and undisputed. He was referred to in every newspaper as the czar.

He had personally supervised the drafting of that rule. But when Mr. Fitzgerald demanded a separate vote on one of the five propositions carried by the rule the request was so obviously within his rights under the section of the rules of the House which the Speaker has just read that, although it was vigorously objected to by Mr. Dalzell and other parliamentarians on the majority side, Speaker Cannon held that he was entitled to a separate vote upon that one clause and put the question.

Mr. BANKHEAD. Has the gentleman from Missouri before him the case he refers to?

Mr. CANNON. It will be found in the proceedings of the first session of the Sixtieth Congress, page 4509, April 8, 1908.

And while the gentleman is about it he may make note of a precedent of the second session, Sixty-second Congress, page 5006, which I will also cite.

In the Sixty-second Congress, Bob Henry, of Texas, from the Speaker's own State, at that time chairman of the Committee on Rules, reported a rule for the consideration of the Post Office appropriation bill, a rule which provided a legislative program for the consideration of the bill similar to that provided in this resolution. Mr. James R. Mann, of Illinois, one of the ablest parliamentarians who ever sat in the House, demanded a separate vote on one clause of the rule—in its general effect such a clause as that on which we are now asking a separate vote in this rule. And Mr. Speaker Clark, of Missouri, against the vigorous protest of Members of the Committee on Rules, held that under the section which the Speaker has just read, section 6 of Rule XVI of the Rules of the House, Mr. Mann was entitled to a separate vote on the clause and granted it.

I could cite innumerable instances, Mr. Speaker, throughout the procedure of the House supporting and confirming the inherent right of a Member to rise and demand a separate vote upon any substantive provision which, taken away from the proposition before the House, would leave another substantive proposition. It is a right which has come down to us from the First Congress, and when properly invoked has never been denied from that time to this.

As the Speaker has well said, the clause at bar is in itself a complete substantive proposition, and if removed, it leaves a complete and workable rule. The only effect of the removal of that provision will be that instead of Members of the House being limited to four amendments to a title—all of which will undoubtedly be monopolized by members of the committee—any number of legitimate amendments may be offered and every Member of the House will be permitted to participate in the formulation of this important legislation. But if you leave this proposition in the rule, there will not even be opportunity to offer one amendment to a section. In the very first title there are 16 sections, and under this clause you can not touch 12 of them. You must take them or leave them as the committee crams them down your throat. This one clause is the gag in the rule, and with it in operation the average Member of the House who is not on the committee might as well be a thousand miles away so far as any influence he may be able to exert in the drafting of this legislation is concerned.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. CANNON. With pleasure.

Mr. CONNERY. Mr. Speaker, if the Chair should rule in favor of the gentleman from Missouri, that would eliminate the three lines being the sentence starting in line 1 of page 2 and ending with the word "Chair," in line 4, and would leave the situation as though we brought it in under suspension of the rules, except that two motions to recommit would be in order.

Mr. CANNON. The gentleman is correct. The elimination of this one sentence will practically throw the bill open to consideration under the rules of the House, the fairest system of legislative procedure ever devised.

Mr. LaGUARDIA. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from New York.

Mr. LaGUARDIA. In reply to the query of the gentleman from Massachusetts [Mr. CONNERY], if the Chair holds the gentleman's request for a separate vote valid, then the House would vote on the question of four amendments. If the House voted that down, then it means that this rule makes germane to an appropriation bill that which otherwise would not be germane. That is right, is it not?

Mr. CANNON. If the House should vote down this proposition it makes no change except that it will give us the right to offer more than four amendments, to consider fully all sections of the bill. It will permit participation by all Members of the House instead of restricting participation to members of the committee. It will give us the right to discuss the bill at length and to change it if we think it should be changed. It takes away the gag feature. [Applause.]

Mr. LaGUARDIA. If after the gag portion is taken off does the House still have the opportunity of voting down the rule?

Mr. CANNON. Certainly. By dividing the question, the House is given the opportunity to adopt or reject a part of the rule or all of the rule.

Mr. RAMSEYER. Will the gentleman yield?

Mr. CANNON. I yield to the gentleman.

Mr. RAMSEYER. The gentleman says there are two substantive propositions here. Is this the only sentence that contains a substantive proposition?

Mr. CANNON. There are a number of others containing substantive propositions, and the gentleman or any other Member may ask for a separate vote on any of them.

Mr. TILSON. Mr. Speaker, may I restate my proposition? I thoroughly agree with the principle announced by the gentleman from Missouri that where there are two substantive propositions, each of which will stand alone, regardless of which one may be voted up and which one may be voted down, then it may be divided; but where there are two propositions, as here, one of which is simply one of the provisions in the other and which of itself means nothing, there can be no division. Here is a rule with several provisions in it. The gentleman from Missouri would like to have a separate vote on one of these provisions. If it should be voted out, it is true there would be a workable rule left; but what happens if the other part is voted out instead?

Again let us suppose that after the gentleman demands a separate vote on this one sentence, I ask the Speaker to give us a separate vote on the next one, which begins on line 7, so as to eliminate it.

From line 7 down to line 14 may be cut out and still leave a substantive proposition. But let us suppose that, instead of this happening, the other portion, the resolving clause and the first part of the rule, is cut out. Suppose the House obstinately votes down my proposal and votes to cut out the other proposition. There would be nothing left except the sentence I tried to eliminate. In other words, one part of the rule will stand alone as a substantive proposition while the other will not. In order to come within the rule providing for a division of a motion, each and every part after the division must be a substantive proposition capable of standing alone and making sense after all the other parts have been taken away.

I wish to ask the Chair this parliamentary question: Whether if I ask a separate vote on the paragraph beginning in line 7—which, as I have shown, can well be cut out and leave a perfectly workable rule—will the Chair recognize me for this purpose? It would seem that I am just as much entitled to a separate vote on this provision as is the gentleman from Missouri on the provision in question.

The SPEAKER. The Chair is ready to rule. The Chair has already read the rule to the House. An examination of this particular rule shows that it contains a number of substantive propositions. In a ruling made by Mr. Speaker Cannon on April 8, 1908 (RECORD, p. 4509), he said:

The Chair is prepared to rule. On a careful examination of this rule, the Chair finds that there are five substantive propositions and five only, so that if the gentleman demands a separate vote upon either or all of them, a separate vote will be taken.

The Chair has examined the rule in that case. If the House had adopted two substantive propositions and left out three substantive propositions, it would not have known what it was all about. The House could not possibly have known what it was considering if it had been so foolish as to adopt two of the substantive propositions and reject three, or reject two and adopt three.

As the Chair said a while ago, it is the presumption that the House, in voting upon the proposition, will act intelligently and not emasculate the rule.

The rule is quite specific. It provides that if there is a substantive proposition left a Member is entitled to a division.

The Chair overrules the point of order.

Mr. WOODRUFF. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WOODRUFF. In case the language mentioned by the gentleman from Missouri is stricken from the rule the net result will be that the House will vote to consider this bill under the general rules of the House?

The SPEAKER. The Chair understands that is the practical effect of it; yes.

Mr. BANKHEAD. Mr. Speaker, on what part of the rule will the first question come?

The SPEAKER. The gentleman from Missouri [Mr. CANNON] has demanded a vote on the substantive proposition commencing with the word "each" in line 1, of page 2, and going down to and including the word "Chair" in line 4.

Mr. BANKHEAD. Mr. Speaker, is that on the section of the resolution as it has been amended by the House? That is not what the gentleman requested.

The SPEAKER. The gentleman from Missouri did not say anything about the amendment. The Chair does not know what is in the gentleman's mind.

Mr. BANKHEAD. If the Chair will pardon me, the gentleman distinctly announced he was not asking for a separate vote on that part of the resolution as amended by the House, but he was asking a separate vote upon it in its original form.

The SPEAKER. That is what the Chair stated.

Mr. BANKHEAD. What happens to the amendment?

The SPEAKER. The amendment remains in the resolution.

The question is on agreeing to that part of the resolution beginning with the word "each" in line 1, page 2, of the resolution and ending with the word "Chair" in line 4.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. As I understand the situation, that particular provision was amended in the House. The Chair is now submitting something which has been amended, but without including the amendment. We can not possibly be dealing with the matter which the Chair is now referring to. The Bankhead amendment is now a part of this provision, be it substantive or otherwise.

The SPEAKER. If the gentleman from Michigan will allow the Chair to state it once more, the gentleman from Missouri did not include in his demand the amendment now in the resolution. The gentleman could include in his demand the amendment that had been agreed to.

Mr. MICHENER. Exactly. We are considering this provision as amended. If this is true, then the gentleman from Missouri has no right to go back and ask for consideration of a provision which was in the resolution when we commenced its consideration, but which is now changed by amendment.

The SPEAKER. The Chair has read the rule once, and if necessary, will read it again. It specifically authorizes any Member of the House to ask for a division and the gentleman from Missouri has asked for a division and has asked that certain language be voted on separately. If that language is disagreed to, the balance of the special rule will be a substantive proposition.

Mr. O'CONNOR. May I respectfully point out to the Chair the practical effect of the Chair's ruling? The Chair rules that a division is possible, but what is happening is that we are dividing a sentence and we are having a vote on a part of a sentence that has been amended. I submit there can not be a division unless it is a substantive proposition, and in this instance the Chair is leaving out a part of the sentence in question.

Mr. LaGUARDIA. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LaGUARDIA. Would it be in order for the gentleman from Missouri to withdraw his request, so that the House may vote down this rule on its merits? We are ready to do it.

Mr. CANNON. Mr. Speaker, it has been frequently held that it is not a part of the Speaker's duty to determine the effect of an amendment or the effect of any proposition presented for the consideration of the House. He is not required to pass on hypothetical questions.

The SPEAKER. The gentleman from Missouri is correct. Mr. HUDDLESTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HUDDLESTON. Mr. Speaker, may a separate vote on a part of a substantive proposition be taken, or must it be upon the entire proposition?

The SPEAKER. The Chair thinks it is possible to have this division made.

Mr. HUDDLESTON. The proposition has been amended. Can a separate vote be demanded upon part of the proposition when it includes other parts?

The SPEAKER. The Chair overrules the points of order.

The question is on agreeing to that portion of the resolution on which a separate vote is demanded by the gentleman from Missouri [Mr. CANNON].

Mr. RAMSEYER. Mr. Speaker, the question is on the division. On what part of the resolution are we voting?

The SPEAKER. The Chair will state it.

The question is on agreeing to that portion of the resolution beginning in line 1 with the word "each" and ending in line 4, of page 2, with the word "Chair."

The question was taken, and the portion of the resolution referred to was rejected.

The SPEAKER. The question is on agreeing to the balance of the resolution.

The question was taken, and the Chair announced that the yeas appeared to have it.

Mr. BANKHEAD. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

Mr. SNELL. Will the Speaker state just what we are about to vote on at the present time?

The SPEAKER. If the Chair can get order, he will state the situation. The House has disagreed to that portion of the resolution beginning with the word "each" in line 1, page 2, and down to the word "Chair" in line 4. That language is no longer in the resolution. The balance of the resolution is intact; and the question now is, Will the House adopt the resolution with that portion referred to eliminated from the resolution? The previous question has been ordered, and the yeas and nays have been ordered.

Mr. HARLAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HARLAN. What has happened to the Bankhead amendment?

The SPEAKER. The Bankhead amendment is in the resolution. The Clerk will call the roll.

The question was taken; and there were—yeas 219, nays 164, not voting 48, as follows:

[Roll No. 56]

YEAS—219

Adkins	Cary	Eslick	Holaday
Aldrich	Chindblom	Evans, Calif.	Hollister
Allgood	Chiperfield	Flesinger	Hooper
Andrew, Mass.	Christopherson	Fishburne	Hope
Arnold	Clague	Flannagan	Houston, Del.
Bacharach	Clancy	Foss	Howard
Bachmann	Clark, N. C.	Free	Huddleston
Bacon	Clarke, N. Y.	French	Hull, Morton D.
Baldrige	Cole, Iowa	Fuller	Hull, William E.
Bankhead	Collins	Fulmer	Johnson, Okla.
Barton	Cooper, Ohio	Garber	Johnson, Tex.
Beedy	Cooper, Tenn.	Garrett	Jones
Bland	Corning	Gasque	Kahn
Blanton	Cox	Gilbert	Kerr
Bohn	Crisp	Glover	Ketcham
Bolton	Cross	Green	Kinzer
Bowman	Crowther	Gregory	Kleberg
Brand, Ga.	Crump	Guyer	Kniffin
Brand, Ohio	Culkin	Hadley	Knutson
Briggs	Darrow	Hall, Ill.	Lambertson
Britten	Davenport	Hall, Miss.	Lambeth
Browning	Davis	Hancock, N. Y.	Lanham
Buchanan	De Priest	Hancock, N. C.	Lankford, Va.
Bulwinkle	De Rouen	Hardy	Larsen
Burch	Dickinson	Hare	Lea
Busby	Dies	Hart	Leavitt
Byrns	Disney	Hastings	Lovette
Cable	Dominick	Haugen	Lozier
Campbell, Iowa	Doughton	Hawley	Luce
Cannon	Douglas, Ariz.	Hess	McClintic, Okla.
Carden	Doxey	Hill, Ala.	McClintock, Ohio
Carter, Calif.	Drewry	Hoch	McDuffie
Cartwright	Ellzey	Hogg, W. Va.	McGugin

McLaughlin	Parker, N. Y.	Smith, Idaho	Vinson, Ga.
McLeod	Parsons	Snell	Vinson, Ky.
McMillan	Patterson	Sparks	Warren
McReynolds	Polk	Stafford	Wason
McSwain	Pou	Steagall	Watson
Mansfield	Pratt, Harcourt J.	Stevenson	Weaver
Mapes	Pratt, Ruth	Stokes	Weeks
Martin, Mass.	Purnell	Strong, Kans.	West
Michener	Rainey	Summers, Tex.	White
Millard	Ramseyer	Swank	Whitley
Miller	Ramspeck	Swanson	Whittington
Milligan	Rayburn	Taber	Wigglesworth
Mitchell	Reilly	Tarver	Williams, Tex.
Mobley	Rich	Taylor, Colo.	Williamson
Montague	Rogers, Mass.	Taylor, Tenn.	Willson
Moore, Ky.	Sabath	Temple	Wingo
Moore, Ohio	Sanders, N. Y.	Thomason	Wood, Ga.
Morehead	Sanders, Tex.	Thurston	Wood, Ind.
Mouser	Sandlin	Tilson	Woodruff
Norton, Nebr.	Selberling	Timberlake	Woodrum
Oliver, Ala.	Shallenberger	Treadway	Wright
Parker, Ga.	Simmons	Underwood	

NAYS—164

Allen	Driver	Kemp	Pettengill
Almon	Dyer	Kennedy	Pittenger
Amie	Eaton, Colo.	Kopp	Prall
Andrews, N. Y.	Eaton, N. J.	Kunz	Ragon
Arentz	Englebright	Kvale	Rankin
Auf der Heide	Evans, Mont.	LaGuardia	Reed, N. Y.
Ayres	Fernandez	Lamneck	Reid, Ill.
Barbour	Fish	Lankford, Ga.	Robinson
Beam	Fitzpatrick	Lehlbach	Rogers, N. H.
Black	Frear	Lewis	Romjue
Bloom	Fulbright	Lichtenwalner	Rudd
Boehne	Gambrell	Lindsay	Schafer
Bolleau	Gavagan	Linthicum	Schneider
Boland	Gibson	Lonergan	Schuetz
Boylan	Gifford	Loofbourow	Seger
Brunner	Gilchrist	McCormack	Selvig
Buckbee	Golder	McKeown	Shannon
Burdick	Goldsborough	Maas	Shott
Butler	Goodwin	Major	Sinclair
Carley	Goss	Maloney	Sirovich
Carter, Wyo.	Granfield	Manlove	Smith, Va.
Celler	Greenwood	Martin, Oreg.	Snow
Christgau	Griffin	May	Somers, N. Y.
Cochran, Mo.	Haines	Mead	Spence
Cole, Md.	Hall, N. Dak.	Montet	Stewart
Colton	Harlan	Nelson, Me.	Sullivan, N. Y.
Condon	Hartley	Nelson, Mo.	Summers, Wash.
Connelly	Hill, Wash.	Nelson, Wis.	Sutphin
Connolly	Holmes	Niedringhaus	Sweeney
Cooke	Hopkins	Nolan	Swing
Coyle	Horr	Norton, N. J.	Tierney
Craff	Jacobsen	O'Connor	Tinkham
Crosser	James	Oliver, N. Y.	Turpin
Cullen	Jenkins	Overton	Welch, Calif.
Curry	Johnson, Mo.	Palmisano	Welsh, Pa.
Dallinger	Johnson, Wash.	Parks	Williams, Mo.
Delaney	Kading	Partridge	Withrow
Dickstein	Karch	Patman	Wolcott
Dieterich	Keller	Peavey	Wolverton
Douglass, Mass.	Kelly, Ill.	Perkins	Yates
Doutrich	Kelly, Pa.	Person	Yon

NOT VOTING—48

Abernethy	Collier	Igoe	Ransley
Andresen	Crowe	Jeffers	Shreve
Beck	Dowell	Johnson, Ill.	Smith, W. Va.
Brumm	Drane	Johnson, S. Dak.	Stalker
Burness	Erk	Kendall	Strong, Pa.
Campbell, Pa.	Estep	Kurtz	Sullivan, Pa.
Canfield	Finley	Larrabee	Swick
Caviechia	Freeman	Ludlow	Thatcher
Chapman	Gillen	McFadden	Tucker
Chase	Griswold	Magrady	Underhill
Chavez	Hogg, Ind.	Murphy	Wolfenden
Cochran, Pa.	Hornor	Owen	Wyant

So the resolution was agreed to.

The following pairs were announced:

On the vote:

Mr. Canfield (for) with Mr. Griswold (against).
 Mr. Wyant (for) with Mr. Larrabee (against).
 Mr. Kurtz (for) with Mr. Ludlow (against).
 Mr. Tucker (for) with Mr. Erk (against).
 Mr. Collier (for) with Mr. Ransley (against).
 Mr. Chapman (for) with Mr. Gillen (against).

Until further notice:

Mr. Crowe with Mr. Thatcher.
 Mrs. Owen with Mr. Burness.
 Mr. Smith of West Virginia with Mr. Campbell of Pennsylvania.
 Mr. Jeffers with Mr. Dowell.
 Mr. Igoe with Mr. Stalker.
 Mr. Hornor with Mr. McFadden.
 Mr. Drane with Mr. Finley.
 Mr. Chavez with Mr. Swick.
 Mr. Abernethy with Mr. Beck.

Mr. CONNERY. Mr. Speaker, I wish to announce that the gentleman from New Mexico, Mr. CHAVEZ, has asked me to state that if he were present he would have voted "no."

Mr. SANDLIN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 11267, the legislative appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. WARREN in the chair.

The Clerk read the title to the bill.

The CHAIRMAN. When the committee rose on yesterday, the reading of the legislative appropriation bill had been completed down through page 42. At the time the committee rose, there was pending an amendment offered by the gentleman from Colorado [Mr. HARDY] and a substitute to that amendment offered by the gentleman from New York [Mr. BACON]. The Clerk will now report the pending amendment of the gentleman from Colorado and the substitute by the gentleman from New York.

Mr. LaGUARDIA. Mr. Chairman, the substitute amendment by the gentleman from New York was simply read for information. It had not been formally presented as a substitute.

Mr. SIMMONS. The record is clear about that.

The CHAIRMAN. The Chair understood that it had been offered. But the question now is on the adoption of the amendment offered by the gentleman from Colorado [Mr. HARDY], which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. HARDY: Page 42, after line 25, insert a new section, as follows:

"Sec. 3. The salaries of Senators, Representatives, Delegates, and Resident Commissioners shall be at the rate of \$9,000 per annum during the fiscal year 1933."

Mr. LaGUARDIA. Mr. Chairman, on that I make the point of order.

The CHAIRMAN. The gentleman will state it.

Mr. LaGUARDIA. That it is legislation on an appropriation bill and not in the form of a limitation. It simply seeks to amend existing law by changing the rate of salary now fixed by law, and there is nothing in the amendment itself from which the Chair can infer a saving under the Holman rule.

The CHAIRMAN. The Chair overrules the point of order.

Mr. McDUFFIE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McDUFFIE. My understanding, which may have been erroneous, was that having a privileged amendment under the rule, it could now be offered despite the fact that an amendment is pending. I ask the Chair to rule on that proposition.

The CHAIRMAN. The Chair was under the impression that the gentleman from Alabama would offer his amendment after the legislative bill has been concluded; that is, at the end of page 43. The committee is now at the beginning of page 43. The amendment of the gentleman from Colorado [Mr. HARDY] was pending when the committee rose, and the Chair thinks it is now in order and should be disposed of before the gentleman from Alabama offers his amendment.

Mr. DYER rose.

The CHAIRMAN. For what purpose does the gentleman from Missouri rise?

Mr. DYER. I rise to offer an amendment to the amendment of the gentleman from Colorado.

The CHAIRMAN. The gentleman from Colorado has the floor.

Mr. DYER. Mr. Chairman, will the gentleman yield for the purpose of changing his amendment in one particular?

Mr. HARDY. No; I could not do that. Mr. Chairman, in all the debate that has gone on here about economy I have heard several Members say that they would be glad to vote a reduction in salaries for themselves. I think that that is a matter that ought to be taken up by the House by itself alone and not brought here in an omnibus proposition. The Members of this House know that we are going to have some economies in government and we know that

we are going to have some reductions in salaries. We know that while we do not care to touch our salaries particularly, as most Members can not live on what they get, yet we are going to do it, and I say we ought to have a chance to show the country that we are brave enough to vote a cut in our own salaries before we declare a cut in the salary of others. I think we should vote for this amendment I have proposed at this time and avoid the charge that we are not willing to cut our own salaries. Let us take this \$1,000 reduction in salary for the fiscal year 1933, and bring the matter to a focus right now.

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield?

Mr. HARDY. Yes.

Mr. LEHLBACH. The form of the gentleman's amendment is that the salary shall be \$9,000 for the fiscal year 1933?

Mr. HARDY. Yes.

Mr. LEHLBACH. If later an 11 per cent reduction in all Government salaries or a month of forfeiture is agreed to in lieu of the furlough, will that be taken from the \$9,000?

Mr. HARDY. I think the gentlemen of this House have enough sense to meet that when they come to it.

Mr. McDUFFIE. Mr. Chairman, I rise in opposition to the amendment. The program which we have agreed to present as an economy proposal deals with this very proposal. Why should the House, knowing as we do that we are going to deal with the salaries of Members of the House in the general program of economy, vote now on this proposition and later on vote again? I suggest that the gentleman withdraw his amendment and let the salaries of the Members of the House be treated either under the President's plan or under the committee's plan along with other salary reductions.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. HARDY. The charge is already very prevalent in newspapers and particularly in the special columns of political writers that many Members of this House will not vote for the economy plan because it includes their own salaries.

Mr. McDUFFIE. No sensible man on this floor believes such charges on the part of the newspapers.

Mr. DYER. Mr. Chairman, will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. DYER. Suppose the amendment which has been made in order by the rule fails, suppose that should be voted down, then we would not have any reduction in the salaries of Members?

Mr. McDUFFIE. If that amendment is voted down, certainly the gentleman will have an opportunity to offer an amendment, even his amendment, as soon as we shall have finished the committee amendment.

Mr. DYER. Very well.

Mr. SCHAFER. Mr. Chairman, I move to strike out the last word. It is rather remarkable to find the chairman of the Economy Committee, which has been filling the press and feeding the American people with propaganda in favor of economy and reducing governmental expenditures, including salaries, standing up on the floor of the House and opposing an amendment to commence their economy program by reducing the salaries of Members of Congress.

I believe that I know the reason why the gentleman wants to defeat this amendment now. He knows that there are not enough votes in this House to swallow the 68-page bill, upon which there are no printed hearings, the 68-page bill which was first available on Monday of this week and on which the committee report was not available until this morning; a bill making many drastic changes in the long-established policies of our Nation, such as our national defense. In these times of unrest among the nations of the world, and with the critical situation as it is in the Far East, at a time when our debtor nations are indicating they will not pay their honest debts to us, as the chairman of the Rules Committee indicated, should America, in this omnibus bill, without careful and mature consideration give to one bureaucrat the authority and direction to consolidate and

demoralize the arms of our national defense? The chairman of the Economy Committee hopes to gather a few more votes for his indefensible bill by putting the Members of Congress on the spot and forcing them to vote against any cut in their own salaries if they vote against the bill because of some of its indefensible provisions.

Now, the gentleman from Alabama says that after the pending section is passed that the question of considering the salary reduction for the Members of Congress can be considered if the so-called economy amendment is defeated. He well knows that under the rules of the House it takes a unanimous consent to go back to a section which has been considered for the purpose of offering an amendment. I ask that every Member of this House, particularly every member of the Economy Committee, who has been advocating the reducing of salaries of the underpaid Federal employees to stand on the floor of the House and vote to reduce his own salary before talking about and voting to reduce the salaries of other Federal Government officers and employees. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado.

The question was taken; and on a division (demanded by Mr. HARDY) there were—ayes 73, noes 134.

Mr. SCHAFER. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. SANDLIN and Mr. HARDY to act as tellers.

The committee again divided, and the tellers reported there were ayes 150 and noes 158.

So the amendment was rejected.

The Clerk read as follows:

Sec. 3. In expending appropriations or portions of appropriations contained in this act for the payment for personal services in the District of Columbia in accordance with the classification act of 1923, as amended, the average of the salaries of the total number of persons under any grade in the Botanic Garden, the Library of Congress, or the Government Printing Office shall not at any time exceed the average of the compensation rates specified for the grade by such act, as amended: *Provided*, That this restriction shall not apply (1) to grades 1, 2, 3, and 4 of the clerical-mechanical service, (2) to require the reduction in salary of any person whose compensation was fixed as of July 1, 1924, in accordance with the rules of section 6 of such act, (3) to require the reduction in salary of any person who is transferred from one position to another position in the same or different grade in the same or a different bureau, office, or other appropriation unit, (4) to prevent the payment of a salary under any grade at a rate higher than the maximum rate of the grade when such higher rate is permitted by the classification act of 1923, as amended, and is specifically authorized by other law, or (5) to reduce the compensation of any person in a grade in which only one position is allocated.

Mr. BYRNS. Mr. Chairman, I offer the amendment which I have sent to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BYRNS: On page 43, after line 23, insert a new section, as follows:

"Sec. 4. The detail of the present incumbent as attending physician at the Capitol shall be continued until otherwise provided by law."

Mr. BYRNS. Mr. Chairman, I ask for a vote on the amendment.

Mr. BLANTON. Mr. Chairman, I reserve a point of order merely to ask the gentleman a question. Does the gentleman think it wise to make this permanent law?

Mr. BYRNS. I will say to the gentleman that I think his point of order comes too late, as I had asked for a vote. But I will say this simply provides that the House and Senate may have some control over who is detailed, and not permit the War Department or the Navy Department every year or two to make a change.

Mr. BLANTON. If the gentleman fully realizes that his amendment as worded does make it permanent law, and the gentleman really desires to do that, and thinks it is wise, I shall not object.

Mr. BYRNS. I am more than willing, as far as I am concerned.

Mr. BLANTON. I will withdraw the point of order.

Mr. BRITTEN. It is permanent law as applied to the present officer who is detailed here?

Mr. BYRNS. The gentleman is entirely correct.

Mr. BRITTEN. I think the gentleman's amendment ought to be unanimously approved.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The amendment was agreed to.

Mr. BYRNS. Mr. Chairman, I ask unanimous consent to return to page 21, after line 10, for the purpose of offering an amendment, which I ask to be read for the information of the Members.

The CHAIRMAN. The Clerk will read the amendment for information.

The Clerk read as follows:

Page 21, after line 10, insert the following as a new paragraph:
 "For assistants in compiling lists of reports to be made to Congress by public officials; compiling copy and revising proofs for the House portion of the Official Register; preparing and indexing the statistical reports of the Clerk of the House; compiling the telephone and Members' directories; preparing and indexing the daily calendars of business; preparing the official statement of Members' voting records; preparing list of congressional nominees, and statistical summary of elections; preparing and indexing questions of order printed in the Appendix to the Journal pursuant to House Rule III, for recording and filing statements of political committees and candidates for election to the House of Representatives pursuant to the Federal corrupt practices act, 1925 (U. S. C., title 2, secs. 241-256); and for such other assistance as the Clerk of the House may deem necessary and proper in the conduct of the business of his office, \$5,000: *Provided*, That no part of this appropriation shall be used to augment the annual salary of any employee of the House of Representatives."

Mr. SNELL. Reserving the right to object, I would like to have that amendment explained a little.

Mr. BYRNS. I will say to the gentleman this appropriation has been carried for a long time, and certainly as long as I have been a member of the committee. There has been no limitation on it heretofore, with reference to the manner in which it shall be used. The committee was of opinion that the salaries of employees of the House in the Clerk's office should not be augmented by the addition of any sum from this appropriation. Therefore in the Committee on Appropriations it was ordered stricken out, with direction to the Subcommittee on Appropriations to eliminate it, and to provide that it should not be used to augment the salaries of employees of the House. It was eliminated and it is not now in the bill. I am offering it here upon my own responsibility. I want that understood. I have not been authorized by the committee to offer it, nor even by the subcommittee. I am asking unanimous consent to have this amendment adopted, because I am told by the Clerk of the House that he will be in a very difficult situation if some provision is not made by which he has some fund which he can use, in order to do the work enumerated in this amendment.

Mr. SNELL. I did not hear the entire amendment. Will the gentleman explain in a few words what it does?

Mr. BYRNS. It provides that \$5,000 shall be appropriated to be used by the Clerk of the House of Representatives, or so much thereof as may be necessary, in compiling lists and reports to be made to Congress and for public officials, compiling copy and revising proofs for the House portion of the Official Register, and a great many other things set forth in the amendment which has been read.

Mr. SNELL. Have we always made a provision of this characted to take care of this work?

Mr. BYRNS. Such provision has always been made, but there has been no limitation, such as is carried by this amendment, preventing augmenting the salaries of those already on the rolls.

It was my purpose in offering this amendment to see to it that no employee of the House had his salary increased from this sum. If it is used it must be used to employ temporary employees to do this extra work.

Mr. SNELL. Will it be necessary to bring in outside people to do this work?

Mr. BYRNS. I am so told by the Clerk of the House of Representatives.

Mr. SNELL. How many were brought in last year, and how much was the cost?

Mr. BYRNS. I could not tell the gentleman.

Mr. SNELL. If extra assistants are needed, and a good case can be made for their employment, I shall not object.

Mr. RAGON. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. RAGON. I want to ask the gentleman whether last year this \$5,000 did not go to employees in the Clerk's office?

Mr. BYRNS. I have been told that, but I do not know whether it is true or not. I have been told that this money has been used for the purpose of augmenting salaries.

Mr. SNELL. This bill will be before the House for two or three days. I wish the gentleman would withdraw his amendment until we can secure further information.

Mr. BYRNS. I have given the gentleman all the information I have.

Mr. HOLADAY. Will the gentleman yield?

Mr. BYRNS. Certainly.

Mr. HOLADAY. I think I can give the gentleman some information.

Mr. SNELL. I wish the gentleman would.

Mr. HOLADAY. Investigation has disclosed that the money appropriated was divided up among certain men who are already on the pay roll. The committee were of the opinion that there was no legal justification for that, and perhaps it was not justified on other grounds. Therefore, the Appropriations Committee cut out that amount.

This amendment provides the same sum of money, but requires that it shall be paid to employees who are not on the pay roll; in other words, new employees.

Mr. SNELL. If in the past the old employees could do it, why can they not do it now, but without compensation?

Mr. HOLADAY. That is the question.

Mr. BYRNS. I am told by the present Clerk of the House that he needs some sum like this to take care of this additional work, and that without it he does not know how he is going to get along.

Mr. JOHNSON of Washington. Mr. Chairman, reserving the right to object, the same thing came up in 1913, and the same plea then was made, that it was needed in order to take care of election contests, but it really amounted to a bonus and extra pay to the Clerk. This resolution should have a reservation as to the exact sum to be paid to the Clerk.

Mr. BYRNS. It provides that none of it shall be paid to any employee of the House, that no part of this sum shall be used to augment any salary.

Mr. JOHNSON of Washington. There should be no doubt about it; it should be made clear that it can not be used as a bonus or to increase salaries.

Mr. SNELL. I wish the gentleman would withdraw the amendment for the time being, that we may get further information.

Mr. STAFFORD. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. STAFFORD. Mr. Chairman, the narration of the work as stated in the amendment shows without question that it is work that should be done by some employee of the House, preparing and indexing the daily calendars of business; preparing the official statement of Members' voting records; preparing list of congressional nominees, and statistical summary of elections; compiling the decisions which are required by the rules of the House, and preparing the Journal of the House. Every specific enumerated item of work should be done, and has been done.

It has been claimed by members of the Committee on Appropriations that this money has been parceled out to some members of the Clerk's force. They wish to correct that, and they have inserted a proviso which forbids that in the following words:

Provided, That no part of this appropriation shall be used to augment the annual salary of any employee of the House of Representatives.

Mr. SNELL. Will the gentleman yield?

Mr. STAFFORD. With the permission of the gentleman from Tennessee.

Mr. BYRNS. I yield to the gentleman.

Mr. SNELL. Is it not a fact that these are a part of the duties of the Clerk?

Mr. STAFFORD. No; some of these activities are not a part of the duties of the Clerk.

Mr. SNELL. Who should do the work?

Mr. BYRNS. The Clerk can not do all of these things. During a period of the year he must have help. He does not know whether he will need all of the \$5,000 or not. He may or he may not.

Mr. SIMMONS. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. SIMMONS. Is there a Budget estimate for this?

Mr. BYRNS. Yes; there is a Budget estimate. It came up in the regular way.

Mr. SNELL. For the present I shall have to object. The gentleman can bring up this matter during the consideration of this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

Mr. SNELL. Mr. Chairman, I object for the present.

Mr. McDUFFIE. Mr. Chairman, I offer an amendment.

Mr. LaGUARDIA rose.

The CHAIRMAN. For what purpose does the gentleman from New York rise?

Mr. LaGUARDIA. Mr. Chairman, I rise to move to strike out the last word, because I want to inquire of the gentleman from Alabama something about the procedure. I would like to inquire of the gentleman from Alabama just what the procedure will be from this point on. As I understand it, his amendment is now germane, and the gentleman is going to offer the entire bill as one amendment?

Mr. McDUFFIE. Yes.

Mr. LaGUARDIA. And then proceed with general debate?

Mr. McDUFFIE. That is correct.

Mr. LaGUARDIA. Does the gentleman know whether we will have a night session?

Mr. McDUFFIE. Yes. It is our intention to go on this evening and possibly to-morrow evening.

Mr. LaGUARDIA. On general debate only?

Mr. McDUFFIE. There are only two hours of general debate, and we expect to go on and finish this bill as soon as possible.

Mr. STAFFORD. May I ask whether there will be any recess for supper, or dinner? What is the purpose of the gentleman? To have us continue in session until we adjourn to-night or take a recess?

Mr. McDUFFIE. I thought we might continue here until a late hour, 10.30 or 11 o'clock, without a recess, and finish as much of the bill as possible.

Mr. STAFFORD. The purpose is to consider this bill under the 5-minute rule as soon as general debate is finished?

Mr. McDUFFIE. Yes.

Mr. STAFFORD. Without any recess?

Mr. McDUFFIE. Yes.

Mr. LaGUARDIA. After the gentleman's amendment is offered and it is before the House, under the rule it will be read by titles, and then, as I understand, it is open to amendment under the rules of the House?

Mr. McDUFFIE. That is correct.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

Does the gentleman from Alabama desire to have the first reading of the amendment dispensed with?

Mr. McDUFFIE. Mr. Chairman, I would like to have Title I read. It is not very long.

The CHAIRMAN. The Chair will state to the gentleman from Alabama that, of course, the amendment must be read in full and by title when we come to the reading of the amendment for amendment under the 5-minute rule. Does the gentleman now wish to have Title I read?

Mr. McDUFFIE. We are going to consider the amendment by titles.

The CHAIRMAN. But there are two hours of general debate preceding the consideration of the amendment under the 5-minute rule.

Mr. McDUFFIE. Then, Mr. Chairman, I ask unanimous consent that the first reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection?

Mr. BLANTON. Mr. Chairman, reserving the right to object, with the understanding that it be printed in the RECORD at this point, as if read, I shall not object.

Mr. SIROVICH. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard, and the Clerk will report the entire amendment.

The Clerk read as follows:

Amendment offered by Mr. McDUFFIE: At the end of page 43 insert the following:

"PART II

"TITLE I—COMPENSATION REDUCTION OF FEDERAL EMPLOYEES

"COMPENSATION DEFINED

"SECTION 101. As used in this title, the term 'compensation' means any salary, pay, wage, allowance (except allowances for subsistence, quarters, heat, light, and travel), or other emolument paid for services rendered in any civilian or noncivilian office, position, employment, or enlistment; and includes the retired pay of judges, and the retired pay of all commissioned, warrant, enlisted, and other personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, Lighthouse Service, and the Public Health Service; but does not include payments out of any retirement, disability, or relief fund made up wholly or in part of contributions of employees.

"SCHEDULE OF TEMPORARY REDUCTIONS

"SEC. 102. (a) During the fiscal year ending June 30, 1933, the compensation for each civilian and noncivilian office, position, employment, or enlistment in any branch or service of the United States Government or the government of the District of Columbia is hereby reduced as follows: Compensation at an annual rate of \$1,000 or less shall be exempt from reduction; and compensation at an annual rate in excess of \$1,000 shall be reduced by 11 per cent of the amount thereof in excess of \$1,000.

"(b) For the purposes of determining the percentage of reduction under this section applicable to any office, position, employment, or enlistment, the compensation for which is calculated on a piecework, hourly, or per diem basis, the annual rate of compensation shall be held to be the total amount which would be payable for the regular working hours and on the basis of 307 working days, or the number of working days on the basis of which such compensation is calculated, whichever is the greater.

"EXEMPTIONS FROM REDUCTION

"SEC. 103. Section 102 of this title shall not apply to—

"(a) any office, position, employment, or enlistment the compensation for which is expressly fixed by international agreement, or

"(b) compensation paid under the terms of any contract in effect on the date of enactment of this act, if such compensation may not lawfully be reduced, or

"(c) any office the compensation of which may not, under the Constitution, be diminished, in the case of any incumbent, during the term for which he was elected or during his continuance in office, unless the application of such section to such office will not result in a diminution of compensation prohibited by the Constitution, or

"(d) any office, position, employment, or enlistment the compensation for which is adjustable to conform to the prevailing local rate for similar work; but the wage board or other body charged with the duty of making such adjustment shall immediately take such action as may be necessary to effect such adjustment, or

"(e) Commissioners of the United States Shipping Board, members of the Federal Farm Board (except the Secretary of Agriculture), members of the International Joint Commission, United States Section, or members of the Board of Mediation.

"GOVERNMENT CORPORATIONS

"SEC. 104. In the case of a corporation the majority of the stock of which is owned by the United States, the holders of the stock on behalf of the United States, or such persons as represent the interest of the United States in such corporation, shall take such action as may be necessary to apply the provisions of sections 101, 102, and 103 to offices, positions, and employments under such corporations and to officers and employees thereof.

"SUSPENSION OF SATURDAY HALF HOLIDAYS

"SEC. 105. (a) The provisions of the act entitled 'An act providing for Saturday half holidays for certain Government employees,' approved March 3, 1931 (U. S. C., Supp. V, title 5, sec. 23a), shall be inoperative during the fiscal year ending June 30, 1933, and the provisions of law amended by such act shall apply as if such act had not been enacted.

"(b) The provisions of the act entitled 'An act to provide a shorter work week for postal employees, and for other purposes,' approved February 17, 1931 (U. S. C., title 39, sec. 831), shall be inoperative during the fiscal year ending June 30, 1933, except in the case of employees of the Railway Mail Service, and the provisions of law amended by such act (except in so far as they relate to employees of the Railway Mail Service) shall apply as if such act had not been enacted.

"REMITTANCES FROM CONSTITUTIONAL OFFICERS"

"SEC. 106. In any case in which the application of the provisions of this title to any person would result in a diminution of compensation prohibited by the Constitution, the Secretary of the Treasury is authorized to accept from such person, and cover into the Treasury as miscellaneous receipts, remittance of such part of the compensation of such person as would not be paid to him if such diminution of compensation were not prohibited.

"REDUCTIONS INAPPLICABLE WHEN COMMODITY PRICE LEVEL RISES"

"SEC. 107. If at any time prior to June 30, 1933, the President finds that for a period of 120 days the average wholesale commodity price level is within 10 points as high as the average wholesale commodity price level of the year 1926, indicated by the figure 100 in the revised index of the Bureau of Labor Statistics effect, and upon the issuance of such proclamation to that effect, and upon the issuance of such proclamation the foregoing provisions of this title shall cease to be in effect.

"LIMITATION ON JURISDICTION OF COURTS"

"SEC. 108. No court of the United States shall have jurisdiction of any suit against the United States or against any officer, agency, or instrumentality of the United States arising out of the application of any provision of this title, unless such suit involves the Constitution of the United States.

"PERMANENT SALARY REDUCTIONS"

"SEC. 109. Beginning July 1, 1932, the salary of each of the members of the International Joint Commission, United States Section, shall be at the rate of \$5,000 per annum.

"SEC. 110. Beginning July 1, 1932, the salaries of the commissioners of the United States Shipping Board, the members of the Federal Farm Board (except the Secretary of Agriculture), and the members of the Board of Mediation shall be at the rate of \$10,000 per annum.

"SEC. 111. Beginning July 1, 1933—

"(a) The salaries of the appointive members of the Federal Reserve Board, the commissioners of the Interstate Commerce Commission, the Administrator of Veterans' Affairs, and the commissioners of the United States Tariff Commission shall be at the rate of \$10,000 per annum.

"(b) The salaries of all judges (except judges whose compensation may not under the Constitution be diminished during their continuance in office), if such salaries are in excess of \$10,000 per annum, shall be at the rate of \$10,000 per annum.

"APPROPRIATIONS IMPOUNDED"

"SEC. 112. The appropriations or portions of appropriations unexpended by reason of the operation of this title shall not be used for any other purposes but shall be impounded and returned to the Treasury.

"TITLE II—PROVISIONS AFFECTING PERSONNEL"

"SUSPENSION OF PROMOTIONS AND FILLING OF VACANCIES"

"SEC. 201. All provisions of law which confer upon civilian or noncivilian officers or employees of the United States Government or the municipal government of the District of Columbia automatic increases in compensation by reason of length of service or promotion are suspended during the fiscal year ending June 30, 1933; but this section shall not be construed to deprive any person of any increment of compensation received through an automatic increase in compensation prior to July 1, 1932.

"SEC. 202. No administrative promotions in the civil branch of the United States Government or the government of the District of Columbia shall be made during the fiscal year ending June 30, 1933: *Provided*, That the filling of a vacancy, when authorized by the President, by the appointment of an employee of a lower grade, shall not be construed as an administrative promotion, but no such appointment shall increase the compensation of such employee to a rate in excess of the minimum rate of the grade to which such employee is appointed unless such minimum rate would require an actual reduction in compensation. The President shall submit to Congress a report of the vacancies filled under this section up to November 1, 1932, on the first day of the next regular session. The provisions of this section shall not apply to commissioned, commissioned warrant, warrant, enlisted personnel, and cadets of the Coast Guard.

"SEC. 203. No appropriation available to any executive department or independent establishment or to the municipal government of the District of Columbia during the fiscal year ending June 30, 1933, shall be used to pay the compensation of an incumbent appointed to any civil position under the United States Government or the municipal government of the District of Columbia which is vacant on July 1, 1932, or to any such position which may become vacant after such date: *Provided*, That this inhibition shall not apply (a) to absolutely essential positions the filling of which may be authorized or approved in writing by the President of the United States, (b) to temporary, emergency, seasonal, or cooperative positions, or (c) to commissioned, commissioned warrant, warrant, enlisted personnel cadets, and of the Coast Guard. The appropriations or portions of appropriations unexpended by the operation of this section shall not be used for any other purposes but shall be impounded and returned to the Treasury, and a report of all such vacancies, the number thereof filled, and the amounts unexpended, for the period between July 1, 1932, and October 31, 1932, shall be submitted to Congress on the first day of the next regular session: *Provided*, That such impounding of funds may be waived in writing by the President of the United States in connection with any appropriation or por-

tion of appropriation, when, in his judgment, such action is necessary and in the public interest.

"COMPULSORY RETIREMENT FOR AGE"

"SEC. 204. On and after July 1, 1932, no person rendering civilian service in any branch or service of the United States Government or the municipal government of the District of Columbia who shall have reached the retirement age prescribed for automatic separation from the service, applicable to such person, shall be continued in such service, notwithstanding any provision of law or regulation to the contrary: *Provided*, That no such person heretofore or hereafter separated from the service of the United States or the District of Columbia under any provision of law or regulation providing for such retirement on account of age shall be eligible again to appointment to any appointive office, position, or employment under the United States or the District of Columbia: *Provided further*, That this section shall not apply to any person named in any act of Congress providing for the continuance of such person in the service.

"SEC. 205. The provisions of this part of this act providing for temporary reductions in compensation and suspension in automatic increases in compensation shall not operate to reduce the rate of compensation upon which the retired pay or retirement benefits of any officer or employee would be based but for the application of such provisions, but the amount of retired pay shall be reduced as provided in Title I.

"TEMPORARY REDUCTION OF TRAVEL ALLOWANCES"

"SEC. 206. During the fiscal year ending June 30, 1933—

"(a) the traveling and per diem allowances provided for in sections 3, 4, 5, and 6 of the subsistence expense act of 1926, approved June 3, 1926 [U. S. C., Sup. V, title 5, §§ 823-826], shall not exceed the amounts of \$5, \$4, \$6, and \$5, respectively, in lieu of the amounts set forth in such sections;

"(b) all provisions of law which authorize the payment of mileage to officers of the services mentioned in the pay adjustment act of 1922 (U. S. C., title 37) are hereby suspended and in lieu thereof such officers shall be entitled to allowances for travel only as provided for civilian employees of the Government, and the subsistence expense act of 1926, as modified by this section, shall apply to such travel: *Provided*, That all appropriations available for the payment of such mileage during the fiscal year 1933 shall be construed as being available for the payment of the allowances herein provided;

"(c) the mileage allowance of Senators, Representatives in Congress, and the Delegate from Hawaii is reduced 25 per cent; the allowance to the delegate from Alaska provided by section 1 of the act of May 7, 1906, the allowance to the Resident Commissioners from the Philippine Islands provided by section 8 of the act of July 1, 1902, and the allowance to the Resident Commissioner from Porto Rico provided by section 36 of the act of March 2, 1917, are reduced by 25 per cent; and

"(d) the traveling allowances provided for in the act entitled 'An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes,' approved February 28, 1925 (U. S. C., title 39, sec. 633), shall not exceed \$2 per day.

"OVERTIME COMPENSATION"

"SEC. 207. During the fiscal year ending June 30, 1933, no officer or employee of the Government shall be allowed or paid a higher rate of compensation for overtime work, for night work, or for work on Sundays and holidays. In so far as practicable, overtime work and night work shall be performed by substitutes in lieu of persons who have performed a day's work during the day during which the overtime work or night work is to be performed, and work on Sundays and holidays shall be performed by substitutes in lieu of persons who have performed a week's work during the same week.

"LIMITATIONS ON AMOUNT OF RETIRED PAY"

"SEC. 208. (a) After the date of the enactment of this act no person holding a civilian office or position, appointive or elective, under the United States Government or the municipal government of the District of Columbia or under any corporation, the majority of the stock of which is owned by the United States, shall be entitled, during the period of such incumbency, to retired pay from the United States for or on account of services as a commissioned officer in any of the services mentioned in the pay adjustment act of 1922 (U. S. C., title 37) at a rate in excess of an amount which when combined with the annual rate of compensation from such civilian office or position makes the total rate from both sources more than \$3,000; and when the retired pay amounts to or exceeds the rate of \$3,000 per annum such person shall be entitled to the pay of the civilian office or position or the retired pay, whichever he may elect. As used in this section, the term 'retired pay' shall be construed to include credits for all service that lawfully may enter into the computation thereof.

"(b) This section shall not apply to officers on the emergency officers' retired list created by the act of May 24, 1928, and shall not apply to any person retired for disability incurred in line of duty.

"PERSONNEL REDUCTIONS—MARRIED PERSONS"

"SEC. 209. In any reduction of personnel in any branch or service of the United States Government or the District of Columbia, married persons (living with husband or wife) employed in the class to be reduced, shall be dismissed before any other persons employed in such class are dismissed, if such husband or wife is

also in the service of the United States or the District of Columbia. In the appointment of persons to the classified civil service, preference shall be given to persons other than married persons living with husband or wife, such husband or wife being in the service of the United States or the District of Columbia.

"TEMPORARY ASSIGNMENTS IN POSTAL SERVICE

"Sec. 210. During the fiscal year ending June 30, 1933, the Postmaster General may, when the interest of the service requires, temporarily assign any clerk to the duties of carrier or any carrier to the duties of clerk, and in an emergency may assign any post-office employee to the duties of a railway postal clerk, or any railway postal clerk to the duties of a post-office employee without change of pay-roll status.

"TITLE III—MISCELLANEOUS PROVISIONS

"TRANSFER OF APPROPRIATIONS

"Sec. 301. Not to exceed 15 per cent of any appropriation for an executive department or independent establishment, including the municipal government of the District of Columbia, for the fiscal year ending June 30, 1933, may be transferred, with the approval of the Director of the Bureau of the Budget, to any other appropriation or appropriations under the same department or establishment, but no appropriation shall be increased more than 15 per cent by such transfers: *Provided*, That a statement of all transfers of appropriations made hereunder shall be included in the annual Budget for the fiscal year 1935, and a statement of all transfers of appropriations made hereunder up to the time of the submission of the annual Budget for the fiscal year 1934, and all contemplated transfers during the remainder of the fiscal year 1933, shall be included in the annual Budget for the fiscal year 1934.

"PHILIPPINE SCOUTS

"Sec. 302. The President is authorized at any time to disband the Philippine Scouts or to reduce the personnel thereof.

"VOCATIONAL EDUCATION

"Sec. 303. (a) Notwithstanding the provisions of section 1 of the act entitled 'An act to provide for the further development of vocational education in the several States and Territories,' approved February 5, 1929 (U. S. C., Supp. V, title 20, sec. 15a), not more than \$1,500,000 is authorized to be appropriated for the purposes of such section for the fiscal year ending June 30, 1934.

"(b) For the fiscal year ending June 30, 1934, and for each of the nine fiscal years thereafter, (1) the annual appropriations (for the purpose of cooperating with the States) provided for by sections 2, 3, and 4 of the act entitled 'An act to provide for the promotion of vocational education; to provide for cooperation with the States in the promotion of such education in agriculture and the trades and industries; to provide for cooperation with the States in the preparation of teachers of vocational subjects; and to appropriate money and regulate its expenditure,' approved February 23, 1917 (U. S. C., title 20, secs. 12-14, inclusive), for each year, shall be \$300,000 (in the case of sec. 2), \$300,000 (in the case of sec. 3), and \$100,000 (in the case of sec. 4), less than the appropriation for the same purposes, respectively, for the year preceding such year, respectively; (2) the minimum allotment of funds to any State, under each of such sections, for each year, shall be \$1,000 less than the minimum allotment for the year preceding such year, respectively; and (3) the additional appropriations (for the purpose of providing the minimum allotment to the States) provided for by such sections for each year, shall be \$2,700 (in the case of sec. 2), \$5,000 (in the case of sec. 3), and \$9,000 (in the case of sec. 4) less than the appropriation for the same purposes, respectively, for the year preceding such year, respectively.

"(c) In lieu of the annual appropriations provided for in section 7 of such act of February 23, 1917 (U. S. C., title 20, sec. 15), for the Federal Board for Vocational Education there is authorized to be appropriated for such board, for the fiscal year ending June 30, 1934, and for each fiscal year thereafter, not more than \$200,000, for the purposes set forth in such section. With respect to any fiscal year prior to the fiscal year ending June 30, 1934, the provisions of such section shall remain in effect.

"(d) For the fiscal year ending June 30, 1934, and for each of the nine fiscal years thereafter, the amount authorized to be appropriated under section 4 of the act entitled 'An act to extend the provisions of certain laws to the Territory of Hawaii,' approved March 10, 1924 (U. S. C., title 20, sec. 29), shall be \$3,000 less than the amount authorized to be appropriated for the preceding fiscal year; and the amount authorized to be appropriated under section 1 of the act entitled 'An act to extend the provisions of certain laws relating to vocational education and civilian rehabilitation to Porto Rico,' approved March 3, 1931 (U. S. C., Sup. V, title 20, sec. 30), shall be \$10,500 less than the amount authorized to be appropriated for the preceding fiscal year, and the amounts expended for each of the purposes set forth in such section shall be proportionately reduced.

"LIMITATIONS ON EXPENDITURES FOR PRINTING AND BINDING, PAPER, AND STATIONERY

"Sec. 304. During the fiscal year ending June 30, 1933, not more than \$9,000,000 shall be expended for printing and binding for the use of the United States and the District of Columbia done at the Government Printing Office, of which \$2,000,000 shall be for printing and binding for the use of the legislative branch of the Government. The amount available hereunder for the executive departments and independent establishments, the judiciary, and the government of the District of Columbia shall be distributed by

the Director of the Bureau of the Budget among the several departments and establishments, the judiciary, and the government of the District of Columbia as, in his judgment, the needs of the service may require. Nothing in this section shall be construed to authorize the discontinuance of any report or publication specifically required by law. This section shall not apply to printing and binding for the use of the Patent Office.

"Sec. 305. During the fiscal year ending June 30, 1933, not more than \$400,000 shall be expended for paper furnished by the Government Printing Office for the use of the several executive departments and independent establishments and the government of the District of Columbia. The amount available hereunder for the executive departments and independent establishments and the Government of the District of Columbia shall be distributed by the Director of the Bureau of the Budget among the several executive departments and independent establishments, and the government of the District of Columbia, as, in his judgment, the needs of the service may require. This section shall not apply to expenditures for paper used in the course of manufacture by the Bureau of Engraving and Printing.

"Sec. 306. During the fiscal year ending June 30, 1933 (1) not more than \$16,000 shall be available for expenditure for stationery for Senators and the President of the Senate, and for committees and officers of the Senate, (2) not more than \$44,000 shall be available for expenditure for stationery for Representatives, Delegates, and Resident Commissioners, and for the committees and officers of the House of Representatives, and (3) each Senator, Representative, Delegate, and Resident Commissioner shall be allowed \$90 for stationery allowance or commutation therefor, to be paid out of the sums provided in (1) or (2), as the case may be.

"WEST POTOMAC PARK HEATING PLANT

"Sec. 307. Until otherwise provided by law no further obligations shall be incurred under the appropriation of \$750,000 for the construction of a heating plant in West Potomac Park, contained in the second deficiency act, fiscal year 1931.

"ARMY TRANSPORT SERVICE, NAVAL TRANSPORTATION SERVICE, AND PANAMA RAILROAD STEAMSHIP LINE

"Sec. 308. The Secretary of War is authorized and directed to discontinue the Army Transport Service. He shall transfer the sea-going vessels used in such service to the United States Shipping Board. The Secretary of War shall dispose of as much of the property of the United States (other than vessels) used in connection with such service as is not indispensable to the Army or the War Department, and shall take such action as may be necessary to discharge the obligations of the United States growing out of such service existing at the time of such discontinuance. Thereafter no part of appropriations heretofore or hereafter made shall be available for the continuance of such service, and appropriations and unexpended balances of appropriations the expenditure of which is made unnecessary by this section shall not be expended but shall be impounded and returned to the Treasury.

"Sec. 309. The Secretary of the Navy is authorized and directed to transfer the vessels *Henderson*, *Chaumont*, *Kittery*, *Sirius*, and *Vega*, together with any cargo vessels not in commission which are not indispensable to the naval service, to the United States Shipping Board. The Secretary shall discontinue the operation of that part of the naval transportation service now carried on with the use of such vessels and shall dispose of as much of the property used in connection therewith as is not indispensable to the Navy. The Secretary shall take such action as may be necessary to discharge the obligations of the United States existing at the time of such transfer growing out of the use of such vessels. Appropriations and unexpended balances of appropriations, the expenditure of which is made unnecessary by this section, shall not be expended but shall be impounded and returned to the Treasury.

"Sec. 310. No action shall be taken under the provisions of section 308 or 309 until the Secretary of War or the Secretary of the Navy, as the case may be, has negotiated contracts with private shipping interests for the performance of the services for which the vessels referred to were operated, under the terms of which, in the judgment of the President, such services will be performed efficiently, at reasonable charges, with accommodations substantially of equal class with those afforded by the services discontinued, and at less cost. Any such contract shall provide that the rates for Government passenger (including employees and their families) and freight business shall be at least 25 per cent less than the published conference rates for similar commercial passenger and freight business. Any such contract shall be renewable on the same terms, at the option of the Government, and the contract shall so provide.

"Sec. 311. The vessels transferred to the Shipping Board under sections 308 and 309 shall be disposed of in accordance with the provisions of section 5 of the merchant marine act, 1920 (U. S. C., title 46, sec. 864), except that sums received from such disposition less expenses incurred under this section shall be covered into the Treasury as miscellaneous receipts. Between the time of transfer and the time of disposition of such vessels, the board shall provide for their care and maintenance, either by contract or otherwise, whichever will effect the greater economy.

"Sec. 312. The Panama Railroad Co. is hereby authorized and directed to discontinue the operation of the Panama Railroad Steamship Line and such company shall take such action as may be necessary to dispose of the vessels used by such line and to

wind up its affairs. The Secretary of War is authorized and directed to take such action as may be necessary on his part to carry out the purposes of this section. No action shall be taken under the provisions of this section until contracts have been negotiated with private shipping interests for the performance of the services for the Government theretofore performed by the Panama Railroad Steamship Line, under the terms of which, in the judgment of the President, such services will be performed efficiently, at reasonable charges, with accommodations substantially of equal class with those afforded by the Panama Railroad Steamship Line, and at less cost. Any such contract shall provide that the rates for Government and the Panama Railroad Co. passenger (including employees and their families) and freight business shall be at least 25 per cent less than the published conference rates for similar commercial passenger and freight business. Any such contract shall be renewable on the same terms, at the option of the Secretary of War, and the contract shall so provide.

"Sec. 313. Under sections 308 and 309 neither the Secretary of War nor the Secretary of the Navy shall sell or otherwise dispose of docks, yards, wharves, depots, terminals or real estate in connection therewith, except that either may lease such properties for periods of not to exceed five years and at rentals which will provide a reasonable return on the cost thereof. The net proceeds from the sale or lease of property by the Secretary of War and the Secretary of the Navy under sections 308, 309, and this section shall be covered into the Treasury as miscellaneous receipts.

"REORGANIZATION OF SHIPPING BOARD

"Sec. 314. (a) The United States Shipping Board shall be composed of four commissioners to be hereafter appointed by the President, by and with the advice and consent of the Senate. One of such commissioners shall be appointed from the States touching the Pacific Ocean, one from the States touching the Atlantic Ocean, one from the States touching the Gulf of Mexico, and one from the States touching the Great Lakes, but not more than one shall be appointed from the same State. Not more than two of the commissioners shall be appointed from the same political party.

"(b) Terms of office of the first commissioners appointed under this section shall expire, as designated by the President at the time of nomination, one at the end of one year, one at the end of two years, one at the end of three years, and one at the end of four years after the date of the enactment of this act. The term of office of a successor to any such commissioner shall expire four years from the date of the expiration of the term for which his predecessor was appointed, except that a commissioner appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(c) Notwithstanding the provisions of subsection (a), the United States Shipping Board as constituted upon the date of the enactment of this act shall continue to function until the date of reorganization of the commission pursuant to the provisions of such subsection. The board shall be deemed to be reorganized upon such date as four of the commissioners appointed as provided in such subsection have taken office, and no such commissioner shall be paid salary, as such commissioner, for any period prior to such date.

"(d) This section shall be held to reorganize the United States Shipping Board, and, except as herein modified, all laws relating to such board shall remain in full force and effect, and no regulations, action, investigations, or other proceedings under any such laws existing or pending on the date of the enactment of this act shall abate or otherwise be affected by reason of the provisions of this section.

"(e) Whenever under existing law the concurrence of four or more of the commissioners is required, such requirement of law shall, after the reorganization of the board provided by this section, be held to be complied with by the concurrence of three commissioners.

"(f) After June 30, 1932, no officer or employee of the United States Shipping Board or the United States Shipping Board Merchant Fleet Corporation shall receive a salary at a rate in excess of \$10,000 per annum. The provisions of Title I of this act shall not apply to any person whose compensation is reduced by reason of this subsection.

"(g) Two hundred thousand dollars of the unexpended balance of the allotment of \$500,000 made available to the United States Shipping Board Merchant Fleet Corporation for experimental and research work, by the independent offices appropriation act, fiscal year 1930, and continued by subsequent appropriation acts, shall not be expended, but shall be covered into the Treasury as miscellaneous receipts.

"(h) The sums available for expenditure, during the fiscal year ending June 30, 1933, for personal services of employees of the United States Shipping Board Merchant Fleet Corporation assigned to and serving with the United States Shipping Board are reduced by \$167,000, from the pay roll of March 31, 1932, and the amounts of reduction applicable to the various bureaus shall be as follows: (1) Bureau of Research, \$30,000, (2) Bureau of Law, \$103,000, (3) Bureau of Traffic, \$9,000, (4) Bureau of Construction, \$5,000, and (5) Bureau of Operations, \$20,000.

"(i) The United States Shipping Board Merchant Fleet Corporation shall, during the fiscal year ending June 30, 1933, transfer from the operating funds and cover into the Treasury as miscellaneous receipts the sum of \$1,938,240.

"INCREASES IN CERTAIN CHARGES AND FEES

"Sec. 315. After the date of the enactment of this act, the price at which additional copies of Government publications are offered for sale to the public by the Superintendent of Documents shall be based on the cost of printing and binding, plus 30 per cent, and such cost shall be in lieu of that prescribed in the public resolution approved May 11, 1922 (U. S. C., title 44, sec. 220).

"Sec. 316. After the expiration of 30 days after the enactment of this act (but in no event prior to July 1, 1932), the base fee of \$25 provided by section 4934 of the Revised Statutes, as amended (U. S. C., Supp. V, title 35, sec. 78), to be paid upon the filing of each original application and upon each renewal application for patent, except in design cases, and on issuing each original patent, except in design cases, is hereby increased to \$30.

"Sec. 317. Section 4934 of the Revised Statutes, as amended (U. S. C., Supp. V, title 35, sec. 78), is amended by adding at the end thereof the following:

"On filing each petition for the revival of an abandoned application for a patent, \$10."

"Sec. 318. The Secretary of Commerce shall make such charges as he deems reasonable for special statistical services; special commodity, technical, and regional news bulletins and periodical services; lists of foreign buyers, and World Trade Directory Reports, and the amounts collected therefrom shall be deposited in the Treasury as miscellaneous receipts.

"Sec. 319. Section 5 of the act entitled 'An act to establish in the Department of the Interior a Bureau of Mines,' approved May 16, 1910, as amended and supplemented (U. S. C., title 30, sec. 7), is amended to read as follows:

"Sec. 5. For tests or investigations authorized by the Secretary of Commerce under the provisions of this act, as amended and supplemented, except those performed for the Government of the United States or State governments within the United States, a fee sufficient in each case to compensate the Bureau of Mines for the entire cost of the services rendered shall be charged, according to a schedule prepared by the Director of the Bureau of Mines and approved by the Secretary of Commerce, who shall prescribe rules and regulations under which such tests and investigations may be made. All moneys received from such sources shall be paid into the Treasury to the credit of miscellaneous receipts."

"Sec. 320. Section 8 of the act entitled 'An act to establish the National Bureau of Standards,' approved March 3, 1901, as amended and supplemented (U. S. C., title 15, sec. 276), is amended to read as follows:

"Sec. 8. For all comparisons, calibrations, tests, or investigations performed by the National Bureau of Standards under the provisions of this act, as amended and supplemented, except those performed for the Government of the United States or State governments within the United States, a fee sufficient in each case to compensate the National Bureau of Standards for the entire cost of the services rendered shall be charged, according to a schedule prepared by the Director of the National Bureau of Standards and approved by the Secretary of Commerce. All moneys received from such sources shall be paid into the Treasury to the credit of miscellaneous receipts."

"Sec. 321. Sections 318, 319, and 320 shall take effect July 1, 1932.

"TRANSFER OF FISH-CULTURAL STATIONS TO STATES OR TERRITORIES

"Sec. 322. Upon the application of any State or Territory, the Secretary of Commerce is authorized and directed to transfer to such State or Territory, without cost, all right, title, and interest of the United States in any fish-cultural station or fish hatchery located in such State or Territory, together with all personal property used in connection therewith. If any such State or Territory shall cease at any time to use a station or hatchery so transferred, for fish-cultural purposes, or shall at any time permit its use for any other purposes, or shall attempt to alienate the station or hatchery, title thereto shall revert to the United States.

"TRANSFER OF AGRICULTURAL EXPERIMENT STATIONS TO STATES OR TERRITORIES

"Sec. 323. Upon the application of any State or Territory, the Secretary of Agriculture is authorized and directed to transfer to such State or Territory, without cost, all right, title, and interest of the United States in any agricultural experiment station located in such State or Territory, together with all personal property used in connection therewith.

"RESTRICTIONS ON TRANSFER OF ARMY AND NAVY PERSONNEL

"Sec. 324. The President is authorized, during the fiscal year ending June 30, 1933, to restrict the transfer of officers and enlisted men of the military and naval forces from one post or station to another post or station to the greatest extent consistent with the public interest.

"TITLE IV—REORGANIZATION OF EXECUTIVE DEPARTMENTS

"DECLARATION OF POLICY

"Sec. 401. In order to further reduce expenditures and increase efficiency in government it is declared to be the policy of Congress—

"(a) to group, coordinate, and consolidate executive and administrative agencies of the Government, as nearly as may be, according to major purposes;

"(b) to reduce the number of such agencies by consolidating those having similar functions under a single head;

"(c) to eliminate overlapping and duplication of effort; and

"(d) to segregate regulatory agencies and functions from those of an administrative and executive character.

" DEFINITIONS

"Sec. 402. When used in this title—

"(1) The term 'executive agency' means any commission, board, bureau, division, service, or office in the executive branch of the Government, but does not include the executive departments mentioned in title 5, section 1, United States Code.

"(2) The term 'independent executive agency' means any executive agency not under the jurisdiction or control of any executive department.

" POWER OF PRESIDENT

"Sec. 403. For the purpose of carrying out the policy of Congress as declared in section 401 of this title, the President is authorized by Executive order—

"(1) To transfer the whole or any part of any independent executive agency, and/or the functions thereof, to the jurisdiction and control of an executive department or another independent executive agency;

"(2) To transfer the whole or any part of any executive agency, and/or the functions thereof, from the jurisdiction and control of one executive department to the jurisdiction and control of another executive department; or

"(3) To consolidate or redistribute the functions vested in any executive department or in the executive agencies included in any executive department.

"Sec. 404. The President's order directing any transfer or consolidation under the provisions of this title shall also designate the records, property (including office equipment), personnel, and unexpended balances of appropriations to be transferred.

" SAVING PROVISIONS

"Sec. 405. (a) All orders, rules, regulations, permits, or other privileges made, issued, or granted by or in respect of any executive agency or function transferred or consolidated with any other executive agency or function under the provisions of this title, and in effect at the time of the transfer or consolidation, shall continue in effect to the same extent as if such transfer or consolidation had not occurred, until modified, superseded, or repealed.

"(b) No suit, action, or other proceeding lawfully commenced by or against the head of any department or executive agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of any transfer of authority, powers, and duties from one officer or executive agency of the Government to another under the provisions of this title, but the court, on motion or supplemental petition filed at any time within 12 months after such transfer takes effect, showing a necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, may allow the same to be maintained by or against the head of the department or executive agency or other officer of the United States to whom the authority, powers, and duties are transferred.

"(c) All laws relating to any executive agency or function transferred or consolidated with any other executive agency or function under the provisions of this title, shall, in so far as such laws are not inapplicable, remain in full force and effect, and shall be administered by the head of the executive agency to which the transfer is made or with which the consolidation is effected.

" STATUTORY AGENCIES

"Sec. 406. Whenever, in carrying out the provisions of this title, the President concludes that any executive department or agency created by statute should be abolished and the functions thereof transferred to another executive department or agency or eliminated entirely the authority granted in this title shall not apply, and he shall report his conclusions to Congress, with such recommendations as he may deem proper.

" DISAPPROVAL OF EXECUTIVE ORDER

"Sec. 407. Whenever the President makes an Executive order under the provisions of this title, such Executive order shall be transmitted to the Congress while in session and shall not become effective until after the expiration of 60 calendar days after such transmission: *Provided*, That if Congress shall adjourn before the expiration of 60 calendar days from the date of such transmission such Executive order shall not become effective until after the expiration of 60 calendar days from the opening day of the next succeeding regular or special session: *Provided further*, That if either branch of Congress within such 60 calendar days shall pass a resolution disapproving of such Executive order, or any part thereof, such Executive order shall become null and void to the extent of such disapproval.

" REPORT TO CONGRESS

"Sec. 408. The President shall report specially to Congress at the beginning of each regular session any action taken under the provisions of this title, with the reasons therefor.

" TITLE V—PUBLIC WORKS ADMINISTRATION

" CREATION AND ORGANIZATION

"Sec. 501. There is hereby created at the seat of Government an establishment to be known as the Public Works Administration. There shall be at the head of such administration an officer to be known as the Administrator of Public Works, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall hold his office for the term of six

years. Such administrator shall receive a salary of \$10,000 per year, payable monthly, and under the direction of the President shall have the control and management of the various bureaus, agencies, activities, and services that the President may under this title transfer to and consolidate in the Public Works Administration.

" CONSOLIDATION OF PUBLIC WORKS BY PRESIDENT

"Sec. 502. (a) The President is authorized, by Executive order, to transfer to the Public Works Administration, and to consolidate and coordinate therein, the whole or any part of all bureaus, agencies, offices, activities, and services, whether now existing in any executive department, independent establishment, or as an independent activity, having to do or that are concerned with the architectural, engineering, surveying, designing, drafting, construction, and/or purchasing activities of the Government relating to public works, and/or that are engaged in the making of plans, specifications, contracts, and/or the supervision of public construction, and the transfer of any activity to the Public Works Administration shall carry with it such property, fixtures, records, and files as may be necessary to the proper functioning of such activity under the administrator, but no provision of this act shall be construed to authorize any transfer, consolidation, coordination, or change in the duties and responsibilities of the Chief of Engineers, or of the Corps of Engineers, or of the officers of the Corps of Engineers of the United States Army, with respect to rivers and harbors, navigation, flood control, and other civil functions and activities, all of which shall remain as now provided for by existing law.

"(b) The Administrator of Public Works shall utilize the services of the Corps of Engineers, or the officers of the Corps of Engineers of the United States Army, whenever and wherever practicable in all other public works, construction, and activities. The Secretary of War, upon the request of the Administrator of Public Works, may continue, as under existing law, to detail officers of the Corps of Engineers of the United States Army for duty in such other public works, construction, and activities, to the end that the Corps of Engineers of the United States Army and the officers of the Corps of Engineers of the United States Army may be used whenever practicable in such other public works, construction, and activities, and when so detailed with the consent of the Secretary of War and the Chief of Engineers shall be under the supervision and direction of the Administrator of Public Works.

"(c) The Bureau of Yards and Docks of the Navy Department shall remain as now provided by existing law, and no provision of this act shall be construed to authorize any transfer, consolidation, coordination, or change in the duties and responsibilities of the said bureau and the chief thereof, or the officers and engineers therein. The Secretary of the Navy, upon the request of the Administrator of Public Works, may detail officers and engineers of such bureau for other duties in such public works, construction, and activities; and the Administrator of Public Works shall utilize the services of such officers and engineers whenever practicable; and when so detailed with the consent of the Secretary of the Navy the said officers and engineers shall be under the supervision and direction of the Administrator of Public Works.

"(d) All officers of the United States Army and/or Navy detailed as aforesaid to serve in the Public Works Administration shall retain their military and naval rank and succession and receive the compensation, commutation, and emoluments provided by law in the case of Army and/or naval officers of the same rank not detached from the regular service; and such payments shall be made out of funds appropriated for use of the Public Works Administration.

"(e) All strictly military, naval, and national-defense construction, improvement, maintenance, and administration shall be and remain in the Army and Navy under the Secretary of War and under the Secretary of the Navy, as now provided by existing law.

"(f) The provisions contained in this title shall not apply to the power and authority now vested in the Architect of the Capitol and the United States Supreme Court Building Commission.

"(g) All authority, power, and duties now vested by law in the head of any executive department, independent establishment, or office in and over any bureau, agency, office, officers, or branch of the public service, or in respect of any function or service transferred to the Public Works Administration under this title, or in or over any contract or business arising therefrom or pertaining thereto, shall be vested in and exercised and performed by the administrator.

"(h) All valid contracts and agreements entered into by any bureau, agency, office, officer, or branch of the public service, and in force at the time of transfer to the Public Works Administration, shall be assumed and carried out by the administrator.

"(i) Under the direction of the President, the Administrator of Public Works shall have the power, by order or regulation, to consolidate, eliminate, or redistribute the functions of the bureaus, offices, agencies, activities, and services transferred, under the provisions of this title, to the Public Works Administration and to create new ones therein, and, by rules and regulations not inconsistent with law, shall fix the functions thereof and the duties and powers of their respective executive heads.

"(j) No consolidation, elimination, redistribution, or coordination of the bureaus, offices, agencies, activities, or parts or functions thereof, as provided by this title shall be effected and no new ones shall be created under the authority of this title unless such action shall either in itself or in relation to the entire Public

Works Administration be clearly productive of economy in public expenditures.

"(k) Whenever any Executive order of the President or any order or regulation of the administrator is issued under this section, the President shall thereupon transmit to the Senate and House of Representatives a copy of such order or regulation, except that if the Congress is not in session at the time of such issuance, then the copy of the order or regulation shall be transmitted at the commencement of the next regular or special session of the Congress. Unless an act disapproving the order or regulation issued is enacted within 60 calendar days after the receipt of the copy of the order or regulation by both Houses, the order or regulation issued shall take effect on the day following the expiration of such 60-day period. If the session during which the copy of the order or regulation is received terminates in less than 60 days after the receipt of the copy by both Houses, an act disapproving the order or regulation may be enacted at any time within 60 calendar days after the commencement of the next regular or special session of Congress, but if such an act is not enacted such order or regulation shall take effect on the day following the expiration of such 60-day period.

"APPOINTMENT OF EMPLOYEES

"Sec. 503. (a) The Administrator of Public Works may appoint, in accordance with the provisions of the civil service laws, from time to time such assistants, architects, engineers, and experts in design and drafting as may be necessary to carry out the purposes of this title.

"(b) The personnel on duty at the time of the transfer of any bureau, agency, office, activity, or service shall be transferred to and given appointment in the Public Works Administration, subject to such change in designation and organization and reduction in personnel, salary, classification, or otherwise, as the administrator may deem necessary.

"(c) Such of the employees as have a civil-service status at the time of transfer shall retain that status. The salaries of such employees shall be fixed in accordance with the classification act of 1923, as amended (U. S. C., title 5, ch. 13; U. S. C., Supp. V, title 5, ch. 13).

"EXISTING LAW AND REGULATIONS UNCHANGED

"Sec. 504. (a) All laws relating to such bureaus, agencies, offices, activities, and services as are transferred to the Public Works Administration, so far as the same are applicable, shall remain in full force and effect, except as herein modified, and shall be administered by the administrator.

"(b) All orders, rules, and regulations in effect with respect to any activity at the time it is transferred shall continue in force until modified, superseded, or repealed by the administrator.

"(c) All unexpended appropriations in respect of any bureau, agency, office, activity, or service transferred to the Public Works Administration shall be as available for expenditure by the Public Works Administration as though said administration had been originally named in the law authorizing such appropriations.

"SERVICES FOR OTHER DEPARTMENTS

"Sec. 505. (a) Whenever any executive department, independent establishment, or other agency or activity of the Government shall be in need of any service or matter coming within the purview of the functions of the Public Works Administration, such department, establishment, agency, or activity shall make appropriate request in writing to the Administrator of Public Works, who shall forthwith place his administration at the service of the department, establishment, agency, or activity making the request.

"(b) All estimates for public work and construction coming within the purview of the Public Works Administration at the time such estimates are made shall be made by the administrator and all appropriations for public work and construction shall be made directly to the administration: *Provided*, That said administrator shall make a book charge against the executive department, independent establishment, or agency of the Government covering the cost of any services, public work, or construction performed for such department, establishment, or agency. The amount thereof shall be reported promptly to the department, establishment, or agency for whom services, public work, or construction has been done, and such department, establishment, or agency shall enter the cost of such services, public work, or construction upon its books and the amount of such cost shall be treated as a part of its expenditures in making its annual report to the President and/or the Congress.

"MISCELLANEOUS

"Sec. 506. (a) Quarters for the Public Works Administration shall be provided by the Public Buildings Commission.

"(b) It shall be the duty of the administrator to standardize designs, plans, and specifications, so far as practicable and desirable, with a view to effecting the utmost economy consistent with suitable construction.

"(c) The administrator, at the close of each fiscal year, shall make a report in writing to the Congress, which shall be printed. Such report (1) shall give an account of all moneys received and disbursed by him and the administration, and shall state for what purpose and on whose account expenditures have been made; (2) shall describe in detail what has been done under section 502 of this title, and shall insert a chart showing the set-up of his administration; and (3) shall make such recommendations with respect to legislation and other matters as to him shall seem appropriate.

"(d) The Administrator of Public Works is authorized to make such rules and regulations, in accordance with law, as may be

necessary and proper for the purpose of carrying the provisions of this title into full force and effect.

"TITLE VI—NATIONAL DEFENSE REORGANIZATION ACT

SHORT TITLE

"Sec. 601. This title may be cited as the 'national defense reorganization act.'

"ESTABLISHMENT OF DEPARTMENT OF NATIONAL DEFENSE

"Sec. 602. (a) There is hereby established at the seat of government an executive department to be known as the Department of National Defense, at the head of which shall be a Secretary of National Defense, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive the same compensation as other heads of executive departments.

"(b) There shall be in the Department of National Defense three Assistant Secretaries, to be appointed by the President, by and with the advice and consent of the Senate, who shall perform such duties as may be required by law or prescribed by the Secretary of National Defense. The Assistant Secretaries shall receive compensation at the rate of \$10,000 per annum. The Assistant Secretaries shall be known, respectively, as the Assistant Secretary for the Army, the Assistant Secretary for the Navy, and the Assistant Secretary for Aviation.

"TRANSFER OF WAR AND NAVY DEPARTMENTS, AND COORDINATION OF ACTIVITIES

"Sec. 603. (a) The Department of War and the Department of the Navy and all that pertains thereto are transferred to the Department of National Defense, and the Department of War and the Department of the Navy shall cease to exist as separate executive departments.

"(b) The offices of Secretary of War, Secretary of the Navy, Assistant Secretaries of War, and Assistant Secretaries of the Navy are abolished, and the functions, powers, and duties vested in and imposed upon such officers are hereby vested in and imposed upon the Secretary of National Defense.

"Sec. 604. The Secretary of National Defense is authorized—

"(a) For the purpose of perfecting the organization and coordinating the activities of the Department of National Defense (1) to consolidate, eliminate, or redistribute the functions of offices, bureaus, or agencies, to create new ones, and fix the powers, duties, and functions of their executive heads, and (2) to take such other action, not inconsistent with the provisions of this title, as he may deem necessary;

"(b) To consolidate or to coordinate the activities of the Air Corps of the Army and aviation units, services, and organizations of the Navy and Marine Corps; and

"(c) To recommend to Congress from time to time such legislation as he deems necessary to perfect such organization and coordination of the activities of the Department of National Defense, or of such consolidation or coordination of the Air Corps of the Army and aviation units, services, and organizations of the Navy and Marine Corps.

"MISCELLANEOUS

"Sec. 605. (a) The Secretary of National Defense shall cause a seal of office to be made for the department, of such device as the President shall approve, and judicial notice shall be taken thereof.

"(b) The administration of the Department of National Defense shall be governed by the laws in force with respect to the Department of War and the Department of the Navy at the time of their transfer under this title, in so far as such laws are not inconsistent with the provisions of this title and are not inapplicable.

"(c) All orders, rules, regulations, and permits or other privileges made, issued, or granted by or in respect of the Department of War or the Department of the Navy, and in effect at the time of the transfer of such departments under this title, shall continue in effect to the same extent as if such transfer had not occurred, until modified, superseded, or repealed.

"(d) All unexpended appropriations in respect of the Department of War or the Department of the Navy shall be available for expenditure by the Department of National Defense and shall be treated as if the department had been originally named in the laws making the appropriations.

"TIME OF TAKING EFFECT

"Sec. 606. This title shall take effect upon the enactment of this act, except that sections 603 to 605, inclusive, shall take effect when the Secretary of National Defense and the Assistant Secretaries of National Defense have taken office.

"TITLE VII—PARTICULAR CONSOLIDATIONS EFFECTED

"BUREAU OF NAVIGATION AND STEAMBOAT INSPECTION

"Sec. 701. The Secretary of Commerce is authorized and directed to consolidate and coordinate the Steamboat Inspection Service and the Bureau of Navigation of the Department of Commerce in a bureau in such department to be known as the Bureau of Navigation and Steamboat Inspection, to be under the direction of a chief of bureau who shall be appointed by the Secretary of Commerce.

"Sec. 702. (a) The Secretary of Commerce is authorized and directed to transfer to the Bureau of Navigation and Steamboat Inspection the records and property, including office equipment, of the Bureau of Navigation and the Steamboat Inspection Service.

"(b) The Secretary of Commerce is authorized and directed to transfer to such bureau such officers and employees of the Bureau of Navigation and the Steamboat Inspection Service as in his judgment are indispensable to the efficient operation of such bureau. Such transfer of officers and employees shall be without

changes in classification or compensation, but the Secretary may make such changes in the titles, designations, and duties of the officers and employees transferred as he may deem necessary to carry out the purposes of sections 701 to 704, inclusive, of this title. The Secretary is authorized to dismiss such officers and employees of the Steamboat Inspection Service and the Bureau of Navigation as are not, in his judgment, indispensable to the efficient operation of the Bureau of Navigation and Steamboat Inspection.

"(c) The consolidation and coordination herein provided for shall be effected not later than July 1, 1932, and when the Secretary of Commerce declares such consolidation and coordination has been effected, the duties, powers, and functions vested in the Steamboat Inspection Service and the Bureau of Navigation shall be exercised by the Bureau of Navigation and Steamboat Inspection, and the Steamboat Inspection Service and the Bureau of Navigation shall cease to exist.

"SEC. 703. All proceedings, hearings, or investigations commenced or pending before the bureau and the service abolished shall be continued by the Bureau of Navigation and Steamboat Inspection. All orders, rules, regulations, permits, licenses, enrollments, registrations, and privileges which have been issued or granted by the bureau and the service abolished and which are in effect shall continue in effect until modified, superseded, revoked, or repealed. All rights, interests, or remedies accruing or to accrue out of any provision of law or regulation relating to, or out of action taken by, the bureau and the service abolished shall be valid in all respects and may be exercised and enforced.

"SEC. 704. Appropriations and unexpended balances of appropriations available for expenditure by the bureau and the service abolished shall be available for expenditure by the Bureau of Navigation and Steamboat Inspection in the same manner as if such bureau had been named in the laws providing for such appropriations, except that such parts of such appropriations and such unexpended balances as may not be absolutely necessary for the purposes of such bureau shall not be expended but shall be impounded and returned to the Treasury.

"TRANSFER OF PERSONNEL CLASSIFICATION BOARD TO CIVIL SERVICE COMMISSION"

"SEC. 705. The President is authorized, by Executive order, to transfer the duties, powers, and functions of the Personnel Classification Board to the Civil Service Commission, and upon the issuance of such order—

"(a) the Personnel Classification Board and the position of director of classification shall be abolished;

"(b) all records and property, including office furniture and equipment, of the board shall be transferred to the Civil Service Commission; and

"(c) such of the officers and employees of the board, as in the judgment of the President, are indispensable to the efficient operation of the Civil Service Commission, shall be transferred to such commission, and all other officers and employees of such board shall be dismissed.

"SEC. 706. Any transfer of officers or employees under section 705 shall be without changes in classification or compensation, but the President is authorized to make such changes in the titles, designations, and duties of such officers and employees as he may deem necessary to carry out the provisions of sections 705 to 708, inclusive, of this title.

"SEC. 707. (a) All orders, determinations, rules, or regulations made or issued by the Personnel Classification Board, and in effect at the time of such transfer, shall continue in effect to the same extent as if such transfer had not been made, until modified, superseded, or repealed by the Civil Service Commission.

"(b) All provisions of law relating to the Personnel Classification Board and the director of classification shall continue in force with respect to the Civil Service Commission, in so far as such provisions of law are not inconsistent with the provisions of sections 705 or 706.

"SEC. 708. Such parts of appropriations and unexpended balances of appropriations available for expenditure by the Personnel Classification Board as the President deems necessary shall be available for expenditure by the Civil Service Commission in the same manner as if such commission had been named in the laws providing for such appropriations, and the remainder of such appropriations and such unexpended balances shall not be expended but shall be impounded and returned to the Treasury.

"INTERNATIONAL WATER COMMISSION ABOLISHED"

"SEC. 709. The International Water Commission, United States and Mexico, American section, is hereby abolished. The powers, duties, and functions of such section of such commission shall be exercised by the International Boundary Commission, United States and Mexico, American section. This section shall take effect July 1, 1932.

"TRANSFER OF RADIO DIVISION OF THE DEPARTMENT OF COMMERCE TO THE FEDERAL RADIO COMMISSION"

"SEC. 710. The President is authorized, by Executive order, to transfer the duties, powers, and functions of the Radio Division of the Department of Commerce to the Federal Radio Commission, and upon the issuance of such order—

"(a) the Radio Division shall be abolished;

"(b) all records and property, including office furniture and equipment, of the divisions shall be transferred to the Federal Radio Commission; and

"(c) such of the officers and employees of the division as, in the judgment of the President, are indispensable to the efficient

operation of the Federal Radio Commission shall be transferred to such commission, and all other officers and employees of such division shall be dismissed.

"SEC. 711. Any transfer of officers or employees under section 710 shall be without changes in classification or compensation, but the President is authorized to make such changes in the titles, designations, and duties of such officers and employees as he may deem necessary to carry out the provisions of sections 710 to 713, inclusive, of this title.

"SEC. 712. (a) All orders, determinations, rules, or regulations made or issued by the Department of Commerce in respect of the Radio Division or by the Radio Division and in effect at the time of such transfer shall continue in effect to the same extent as if such transfer had not been made until modified, superseded, or repealed by the Federal Radio Commission.

"(b) All provisions of law relating to the Radio Division shall continue in force with respect to the Federal Radio Commission in so far as such provisions of law are not inconsistent with the provisions of sections 710 or 711.

"SEC. 713. Such parts of appropriations and unexpended balances of appropriations available for expenditure by the Radio Division as the President deems necessary shall be available for expenditure by the Federal Radio Commission in the same manner as if such commission had been named in the laws providing for such appropriations, and the remainder of such appropriations and such unexpended balances shall not be expended but shall be impounded and returned to the Treasury.

"TITLE VIII—INTERDEPARTMENTAL WORK"

"SEC. 801. Section 7 of the act entitled 'An act making appropriations for fortifications and other works of defense, for the armament thereof, and for the procurement of heavy ordnance for trial and service, for the fiscal year ending June 30, 1921, and for other purposes,' approved May 21, 1920 (U. S. C., title 31, sec. 686), is amended to read as follows:

"SEC. 7. (a) Any executive department or independent establishment of the Government, or any bureau or office thereof, if funds are available therefor and if it is determined by the head of such executive department, establishment, bureau, or office to be in the interest of the Government so to do, may place orders with any other such department, establishment, bureau, or office for materials, supplies, equipment, work, or services, of any kind that such requisitioned Federal agency may be in a position to supply or equipped to render, and shall pay promptly by check to such Federal agency as may be requisitioned, upon its written request, either in advance or upon the furnishing or performance thereof, all or part of the estimated or actual cost thereof as determined by such department, establishment, bureau, or office as may be requisitioned; but proper adjustments on the basis of the actual cost of the materials, supplies, or equipment furnished, or work or services performed, paid for in advance, shall be made as may be agreed upon by the departments, establishments, bureaus, or offices concerned. Bills rendered or requests for advance payments made pursuant to any such order shall not be subject to audit or certification in advance of payment.

"(b) Amounts paid as provided in subsection (a) shall be credited, (1) in the case of advance payments, to special working funds, or (2) in the case of payments other than advance payments, to the appropriations or funds against which charges have been made pursuant to any such order, except as herein-after provided. The Secretary of the Treasury shall establish such special working funds as may be necessary to carry out the provisions of this subsection. Such amounts paid shall be available for expenditure in furnishing the materials, supplies, or equipment, or in performing the work or services, or for the objects specified in such appropriations or funds. Where materials, supplies, or equipment are furnished from stocks on hand, the amounts received in payment therefor shall be credited to appropriations or funds, as may be authorized by other law, or, if not so authorized, so as to be available to replace the materials, supplies, or equipment, except that where the head of any such department, establishment, bureau, or office determines that such replacement is not necessary the amounts paid shall be covered into the Treasury as miscellaneous receipts.

"(c) Orders placed as provided in subsection (a) shall be considered as obligations upon appropriations in the same manner as orders or contracts placed with private contractors. Advance payments credited to a special working fund shall remain available until expended.

"SEC. 802. (a) Notwithstanding the provisions of this title, such section 7, as in force prior to the date of the enactment of this act, shall remain in force with respect to the disposition of funds transferred thereunder prior to such date.

"(b) Nothing in this title shall be construed to authorize any Government department or independent establishment, or any bureau or office thereof, to place any orders for material, supplies, equipment, work, or services to be furnished or performed by convict labor, except as otherwise provided by existing law.

"(c) The provisions of this title are in addition to and not in substitution for the provisions of any other law relating to working funds.

"TITLE IX—PROVISIONS APPLICABLE TO VETERANS"

"GENERAL ADJUSTMENT OF VETERANS' BENEFITS"

"SEC. 901. Notwithstanding the provisions of law in effect at the date of enactment of this act, except as to those persons who have attained the age of 65 years, or those persons who served in the active military or naval forces and who actually suffered an

injury or contracted a disease in line of duty as a result of and directly attributable to such service, or those persons who, in accordance with the World War veterans' act, 1924, as amended, or the laws granting military or naval pensions, are temporarily totally disabled or permanently and totally disabled as a result of disease or injury acquired in, or aggravated by, active military or naval service, or those persons who while in the active military or naval service engaged in actual combat with, were under actual fire of, or served in the zone of active hostilities against, the armed forces of the enemy in any war in which the United States was engaged, no allowance, compensation, retired pay, pension, hospitalization or domiciliary care under the war risk insurance act, as amended, the World War veterans' act, 1924, as amended, the laws governing the granting of Army and Navy pensions, the laws governing the granting of domiciliary care by the Veterans' Administration, or the emergency officers' retirement act of May 24, 1928, shall be payable or granted to any person whose net income as defined by the Administrator of Veterans' Affairs, was \$1,500 or over, if single, and \$3,500 or over, if married, for the year preceding the enactment of this act or the year preceding the filing of application for benefits, whichever is the later. The minimum amounts above specified shall be increased by \$400 for each person dependent upon the applicant during the period prescribed. Such benefits shall not be paid or granted during any year following that in which the net income plus allowance for dependents exceeds the prescribed amounts: *Provided*, That irrespective of the income for a preceding year, upon submission of proof satisfactory to the administrator of reduction in income during the current year below the amounts specified herein, when prorated monthly, such benefits as may otherwise be authorized shall be allowable from the date of administrative determination. Payments of Government insurance, allowance, compensation, retired pay, or pension shall not be considered as income within the provisions of this section. The Secretary of the Treasury is hereby directed, upon request, to transmit to the administrator a certificate containing the information required by the administrator to carry out the purposes of this section affecting each person who is applying for or receiving such allowance, compensation, retired pay, pension, hospitalization, or domiciliary care, and such certificate shall be conclusive evidence of the facts stated therein. As to allowance, compensation, retired pay, or pension being paid, or hospitalization or domiciliary care being furnished, at the date of enactment of this act, this section shall take effect six months after such date, and no continuance or granting of allowance, compensation, retired pay, pension, hospitalization, or domiciliary care shall thereafter be authorized except in accordance herewith. As to pending claims and claims filed after the date of enactment of this act, the provisions of this section shall take effect on such date: *Provided*, That this section shall not apply to such persons as are entitled to benefits described in this section on account of the death of any person who served in the active military or naval service.

"VETERANS IN INSTITUTIONS"

"Sec. 902. The first two paragraphs of subdivision (7) of section 202 of the World War veterans' act, 1924, as amended (U. S. C., Supp. V, title 38, sec. 480), are hereby amended to read as follows:

"Effective as of the first day of the third calendar month following the month during which this amendatory act is enacted, where any person shall have been maintained as an inmate of the United States Soldiers' Home, or of any national or State soldiers' home, or of St. Elizabeths Hospital, or maintained by the Veterans' Administration in an institution or institutions, for a period of 30 days or more, the compensation, pension, allowance, or retired pay under the emergency officers' retirement act of May 24, 1928, shall thereafter not exceed \$20 per month so long as he shall thereafter be maintained: *Provided*, That if such person has a wife, a child or children, or dependent parent or parents, the difference between the \$20 and the amount to which the veteran would otherwise be entitled except for the provisions of this subdivision may be paid to the wife, child or children, and dependent parent or parents in accordance with regulations prescribed by the administrator.

"All or any part of such compensation, pension, allowance, or retired pay under the emergency officers' retirement act of May 24, 1928, of any mentally incompetent inmate of such institution may, in the discretion of the administrator, be paid to the chief officer of said institution to be properly accounted for and to be used for the benefit of such inmate: *Provided, however*, That in any case where the estate of such mentally incompetent veteran without dependents, derived from funds paid under the war risk insurance act, as amended, the World War veterans' act, 1924, as amended, the laws governing the granting of Army and Navy pensions, or the emergency officers' retirement act of May 24, 1928, equals or exceeds \$3,000, payment of compensation, pension, allowance, or retired pay shall be discontinued until the estate is reduced to \$3,000, and this proviso shall apply to payments due or accruing prior or subsequent to the date of enactment of this amendatory act: *Provided further*, That if such person shall be discharged from such institution as competent, such sum shall be paid as is held in trust for him by the United States or any chief officer of an institution as a result of the laws in effect prior and/or subsequent to the enactment of this amendatory act: *Provided further*, That if in the judgment of the administrator a mentally incompetent person without dependents, receiving compensation, pension, allowance, or retired pay under the emergency officers' retirement act of May 24, 1928, requires institutional care for his mental condition and his guardian or other person charged with his custody refuses to accept or permit the continuance of the institu-

tional care offered or approved by the administrator, compensation, pension, allowance, or retired pay under the emergency officers' retirement act of May 24, 1928, payable, shall not exceed \$20 per month so long as the need for such institutional care shall continue. The administrator in his discretion, upon showing of proper treatment in a recognized reputable private institution, may waive the reduction provided by this subdivision."

"EMERGENCY OFFICERS' RETIRED PAY"

"Sec. 903. (a) In the administration of the act of May 24, 1928, entitled 'An act making eligible for retirement, under certain conditions, officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability in line of duty while in the service of the United States during the World War' (U. S. C., Supp. V, title 38, secs. 581 and 582), no officer or former officer shall receive retired pay thereunder, unless he served as a member of the Military or Naval Establishment between April 6, 1917, and November 11, 1918, inclusive, and within such period actually contracted a disease or suffered an injury in line of duty as the result of and directly attributable to such service, or unless he served a period of 90 days or more between April 6, 1917, and November 11, 1918, inclusive, and actually contracted a disease or suffered an injury in line of duty as the result of and directly attributable to service between November 12, 1918, and July 2, 1921, inclusive, and unless he has been or is found by the former Veterans' Bureau or the Veterans' Administration to be not less than 30 per cent permanently disabled as a result thereof prior to May 24, 1928, or within one year thereafter, in accordance with the rating schedule and amendments promulgated pursuant to subdivision (4) of section 202 of the World War veterans' act, 1924, as amended (U. S. C., title 38, sec. 477), in force at that time, and unless he is found by the Veterans' Administration to be not less than 30 per cent permanently disabled at the time of the enactment of this act under such rating schedule as amended and in effect at the date of the enactment of this act: *Provided*, That no person shall be retired without pay except in accordance with the foregoing provisions of this section, except that the degree of disability required for retirement without pay shall be less than 30 per cent and more than 10 per cent permanent disability.

"(b) The Veterans' Administration is hereby authorized and directed to review all claims heretofore filed under the emergency officers' retirement act of May 24, 1928, and to remove from the rolls of retired emergency officers the names of such officers as are not found to be entitled to retirement under subdivision (a) of this section. The Administrator of Veterans' Affairs is further authorized and directed to cause to be certified to the Secretary of War or the Secretary of the Navy, as the case may be, the names of those officers who are removed from the rolls, and the Secretary of War and the Secretary of the Navy are hereby authorized and directed to drop from the emergency officers' retired list and the Army and Navy registers the names of such officers. Payment of emergency officers' retired pay, in the case of any officer whose name is removed from the rolls or transferred to the list of those retired without pay by reason of the provisions of this section, shall cease on the first day of the third calendar month following the month during which certification or transfer is made, as the case may be. The Administrator of Veterans' Affairs is hereby authorized and directed to transfer the name of each officer removed from the rolls of those entitled to emergency officers' retired pay, to the compensation rolls of the Veterans' Administration, and to pay, commencing with the first day of the third calendar month following the month during which certification is made by the administrator of the name of the officer removed from the rolls, as herein provided, compensation in accordance with the provisions of the World War veterans' act, 1924, as amended, notwithstanding that no previous application for compensation has been made.

"(c) The review of all claims authorized and directed under subdivision (b) of this section shall be final, except for one reconsideration. No rerating or review shall thereafter be authorized in such claims.

"(d) After the expiration of one year following the enactment of this act no review, appeal, or other consideration shall be authorized in connection with any claim for emergency officers' retirement upon which a decision has at any time been rendered by the Veterans' Administration or Bureau.

"(e) No person shall be entitled to benefits under the provisions of this section, except he shall have made valid application under the provisions of the emergency officers' retirement act of May 24, 1928.

"(f) All provisions of the emergency officers' retirement act of May 24, 1928, in conflict with or inconsistent with the provisions of this section are hereby modified and amended to the extent herein specifically provided and stated as of the date of enactment, May 24, 1928.

"REPEAL OF PER DIEM ALLOWANCES"

"Sec. 904. Section 203 of the World War veterans' act, 1924, as amended (U. S. C., Supp. V, title 38, sec. 492), is hereby amended to read as follows:

"Sec. 203. That every person applying for or in receipt of compensation for disability under the provisions of this title and every person applying for treatment under the provisions of subdivisions (9) or (10) of section 202 hereof, shall, as frequently and at such times and places as may be reasonably required, submit himself to examination by a medical officer of the United States or by a duly qualified physician designated or approved by the

administrator. He may have a duly qualified physician designated and paid by him present to participate in such examination. For all examinations he shall, in the discretion of the administrator, be paid his reasonable traveling and other expenses. If he shall neglect or refuse to submit to such examination, or shall in any way obstruct the same, his right to claim compensation under this title shall be suspended until such neglect, refusal, or obstruction ceases. No compensation shall be payable while such neglect, refusal, or obstruction continues, and no compensation shall be payable for the intervening period.

"LIMITATION OF RETROACTIVE BENEFITS"

"Sec. 905. Section 205 of the World War veterans' act, 1924, as amended (U. S. C., title 38, sec. 494), is hereby amended to read as follows:

"Sec. 205. The Veterans' Administration may at any time review a claim for benefits under this act, or the laws governing the granting of Army and Navy pensions, and in accordance with the facts found and the law applicable, award, end, diminish, or increase allowance, compensation, or pension, but no allowance, compensation, or pension shall be awarded as a result of such review for any period more than six months prior to date of administrative determination. Where the time for appeal prescribed by regulations has expired a claimant may make application for review upon the evidence of record at the time of the last adjudicatory action but no allowance, compensation, or pension, or increased allowance, compensation, or pension, as a result of such review, shall be awarded for any period more than six months prior to date of application. No review of any claim shall be made except as provided herein. Except in cases of fraud participated in by the beneficiary, no reduction in allowance, compensation, or pension shall be made retroactive, and no reduction or discontinuance of allowance, compensation, or pension shall be effective until the first day of the third calendar month next succeeding that in which such reduction or discontinuance is determined. The proviso in the paragraph under the heading 'Pension Office' in the act entitled 'An act making appropriations to supply further urgent deficiencies in the appropriations for the fiscal year ending June 30, 1894, and for prior years, and for other purposes,' approved December 21, 1893 (U. S. C., title 38, sec. 56), is hereby repealed: *Provided*, That as to those persons who served in the active military or naval forces and who actually suffered an injury or contracted a disease in line of duty and as the result of and directly attributable to combat with the enemy during war service, the limitations of this section shall not apply."

"TRANSFER FROM COMPENSATION TO PENSION ROLLS"

"Sec. 906. The first paragraph of section 200 of the World War veterans' act, 1924, as amended (U. S. C., Supp. V, title 38, sec. 471), is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following:

"*Provided further*, That where no active military or naval service was rendered between April 6, 1917, and November 11, 1918, no compensation shall be payable for disability or death resulting from injury suffered or disease contracted during active service in an enlistment entered into after November 11, 1918, or for aggravation or recurrence of a disability existing prior to examination, acceptance, and enrollment for service, when such aggravation was suffered or contracted in, or such recurrence was caused by, the active military or naval service in an enlistment entered into after November 11, 1918: *Provided further*, That the Administrator of Veterans' Affairs is hereby authorized and directed to transfer to the general pension rolls for the Regular Establishment the names of those persons in receipt of compensation who, by reason of the enactment of this amendatory act are no longer entitled to compensation, and to pay such persons pension in accordance with the rates provided for under the general pension laws, but this transfer shall not take effect until six months following the date of the enactment of this amendatory act: *Provided further*, That this act, as amended, and the laws governing the granting of Army and Navy pensions shall not be construed to deny the right of any person to receive pension on account of active military or naval service subsequent to November 11, 1918: *Provided further*, That the provisions of section 602 of this act, as amended, shall not be construed to authorize the payment of compensation contrary to the provisions of this amendatory act."

"TESTIMONY IN SUITS UPON INSURANCE CLAIMS"

"Sec. 907. The first paragraph of section 19 of the World War veterans' act, 1924, as amended (U. S. C., Supp. V, title 38, sec. 445), is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following:

"*Provided further*, That in any suit tried under the provisions of this section the court shall not receive, admit, or entertain the testimony of any person whose statement has not been submitted to the United States Veterans' Bureau or the Veterans' Administration prior to the denial of the claim sued upon, and the date of issuance of the letter of disagreement required by this section shall be the date of denial of the claim, except that if in a preliminary proceeding prior to trial of the claim sued upon, it is shown by the plaintiff to the satisfaction of the court that relevant and material testimony is available from any person whose statement has not been submitted to the United States Veterans' Bureau or the Veterans' Administration prior to the denial of the claim sued upon, the court shall stay all proceedings in the suit until the statement of such person is submitted to the Administrator of Veterans' Affairs who shall cause the claim to be immediately reviewed, and in case the administrator allows such claim, the suit shall be dis-

missed, but if the administrator disallows the claim, such person may be a witness in the trial of the cause: *Provided further*, That the last preceding proviso shall apply to all suits pending on the date of the enactment of this amendatory act against the United States under the provisions of the war risk insurance act, as amended, or this act, as amended."

"REVIVAL OF GOVERNMENT INSURANCE RESTRICTED"

"Sec. 908. Sections 305 and 309 of the World War veterans' act, 1924, as amended (U. S. C., Supp. V, title 38, secs. 516, 516b), are hereby repealed as of the date of their enactment, and notwithstanding the provisions of section 602 of the World War veterans' act, 1924, as amended (U. S. C., title 38, sec. 571), no additional payments shall be made under such sections or the third proviso of section 408 of the war risk insurance act, as amended, except to those persons actually receiving payments on the date of enactment of this act, or in those claims where, prior to the date of the enactment of this act, it has been determined by the Veterans' Administration that all or part of the insurance is payable under such sections and the interested person or persons entitled thereto have been informed of such determination: *Provided*, That where a beneficiary receiving insurance payments under such sections dies and there is surviving a widow, child or children, or dependent mother or father, of the veteran, the remaining unpaid installments shall be paid to the following permitted class of beneficiaries in the following order of preference: (1) To the widow of the veteran if living at date of death of the beneficiary; (2) if no widow, then to the child or children of the veteran, share and share alike; (3) if no wife, child, or children, then to the dependent mother of the veteran; (4) if no wife, child or children, or dependent mother, then to the dependent father of the veteran, but no payments under this proviso shall be made to the heirs or legal representatives of any beneficiaries in the permitted class who die before receiving the monthly installments to which they are entitled, and the remaining unpaid installments shall be paid to the beneficiary or beneficiaries in the order of preference prescribed in this proviso: *Provided*, That this section shall not be construed to affect any claim wherein it is determined by the Administrator of Veterans' Affairs that the insured actually contracted disease or suffered injury in line of duty between April 6, 1917, and November 11, 1918, inclusive, as the result of and directly attributable to actual combat with the enemy during war service, and as the result of such disease or injury, dies or has died or becomes or has become permanently and totally disabled, and as to those cases adjudication shall be made under the law in effect prior to the enactment of this act, in the same manner as if this act had not been enacted, except that the first proviso of section 305 of the World War veterans' act, 1924, as amended, limiting the class of beneficiaries, shall be applicable to any case payable under this section: *Provided further*, That the uncollected compensation available under the provisions of the law in effect prior to the enactment of this act must be based upon disease or injury as described in this section."

"LIMITATION UPON ATTORNEYS' FEES IN INSURANCE SUITS"

"Sec. 909. The proviso preceding the last sentence in section 500 of the World War veterans' act, 1924, as amended (U. S. C., title 38, sec. 551), is hereby amended to read as follows:

"*Provided, however*, That wherever a judgment or decree shall be rendered in an action brought pursuant to section 19 of Title I of this act the court, as a part of its judgment or decree, shall determine and allow reasonable fees for the attorneys of the successful party or parties and apportion same if proper, said fees not to exceed 10 per cent of the amount found due under the judgment or decree and to be paid by the Veterans' Administration out of the payment made under the judgment or decree."

"JOINT COMMITTEE ON VETERANS' LAWS"

"Sec. 910. There is hereby created a joint congressional committee which shall be composed of three Members of the Senate, to be appointed by the President of the Senate, and three Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives. Such committee shall conduct a thorough investigation of the operation of the laws and regulations relating to the relief of veterans of all wars and persons receiving benefits on account of service of such veterans and report a national policy with respect to such veterans and their dependents. The committee shall report to the Senate and House of Representatives not later than February 1, 1933, the results of its investigation, together with such recommendations for legislation as it deems advisable.

"The committee is authorized to sit and act, whether or not the Senate or House of Representatives is in session, at such times and places as it may deem advisable, and to call upon various departments of the Government for such information and for such clerical assistance as may be necessary, using the services of employees on the Government pay roll."

"TITLE X—SPECIAL PROVISIONS"

"SEPARABILITY CLAUSE"

"Sec. 1001. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby."

"SUSPENSIONS AND REPEALS"

"Sec. 1002. All acts and parts of acts inconsistent or in conflict with those provisions of this act which are of temporary duration are hereby suspended during the period in which such provisions

of this act are in effect. All acts or parts of acts inconsistent or in conflict with those provisions of this act which are of permanent nature are hereby repealed to the extent of such inconsistency or conflict."

Mr. SIROVICH (interrupting the reading of the bill). Mr. Chairman, I withdraw my objection.

The CHAIRMAN. Is there objection to dispensing with the first reading of the amendment?

There was no objection.

Mr. BLANTON. The understanding is that the bill is going to be printed in the RECORD.

The CHAIRMAN. That is the understanding.

Mr. LaGUARDIA. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman from New York rise?

Mr. LaGUARDIA. For the purpose of ascertaining whether or not the House should be advised when there is any change in a plan that the House has adopted. I was under the impression we were going to read this amendment so the committee could adjust itself and prepare for the general debate. If the gentleman from Alabama is going to proceed now, my suggestion to the gentleman is that it would be quite proper to finish general debate now, if that is what the gentleman has in mind.

Mr. McDUFFIE. I have in mind going further than general debate to-day. I have in mind working this evening.

Mr. LaGUARDIA. All right; but it is hardly fair, after a long session, to commence title 1 of the amendment which means the very existence of hundreds of thousands of people.

Mr. McDUFFIE. I do not think so.

Mr. LaGUARDIA. Of course, we differ there, and the gentleman is within his rights in differing from me; but I do not believe we ought to take that up to-day, and if the gentleman from New York [Mr. SIROVICH] withdraws his objection, I shall renew it.

Mr. BLANTON. Mr. Chairman, I make the point of order that such objection comes too late. The Chair had ruled.

The CHAIRMAN (Mr. WARREN). When the gentleman from New York asked unanimous consent to dispense with further reading of the bill the Chair thinks the RECORD will show that he asked if there was objection. The Chair heard none, and it was so ordered. It was understood by the gentleman from Texas [Mr. BLANTON] that the amendment as a whole would be printed in the RECORD.

Therefore, any further objection, the Chair thinks, comes too late.

Under the rule the gentleman from Alabama [Mr. McDUFFIE] is recognized for one hour and the gentleman from Indiana [Mr. WOOD] is recognized for one hour.

Mr. SIROVICH. Mr. Chairman, the time having been allotted to the gentleman from Alabama [Mr. McDUFFIE] and the gentleman from Indiana [Mr. WOOD], and each having one hour, will they yield half of their time to the opposition?

The CHAIRMAN. That is within the province of the two gentleman whom the gentleman from New York has mentioned.

Mr. SIROVICH. Could we find that out now?

The CHAIRMAN. That is not within the knowledge of the Chair. The Chair is unable to advise whom they are going to recognize.

Mr. COCHRAN of Missouri. Will the gentleman from Alabama yield for a question?

Mr. McDUFFIE. I yield for a question.

Mr. COCHRAN of Missouri. I would like to ask the gentleman whether or not he will yield some time to me for the purpose of yielding to some Members who are opposed to various parts of the bill, and are anxious to secure some time.

Mr. McDUFFIE. Mr. Chairman, it has never been the purpose of the committee or any member of the committee to deny the opposition an opportunity to be heard against this bill, and I shall yield time to the gentleman from Missouri for the purpose of having him express his opposition or doing as he pleases with such time as he may have.

Mr. COCHRAN of Missouri. Will the gentleman tell me how much time he will yield me?

Mr. McDUFFIE. Our idea is to yield half the time to the opposition to the bill. I think this would be perfectly fair.

Mr. COCHRAN of Missouri. Then the gentleman will yield one-half hour to me to dispose of as I see fit.

Mr. SABATH. There may be others who are opposed to some other propositions.

Mr. O'CONNOR. Why does not the gentleman from Alabama yield one-half hour to the member of the committee in opposition to the amendment and let him use it? Then the gentleman has no responsibility in the matter.

Mr. McDUFFIE. I shall do that.

Mr. Chairman, I may not be able now to occupy more than 10 minutes in order that other proponents of the bill may be heard. Of course, within the limited time, it is absolutely impossible to cover the many subjects included in our program. I can only make a few general observations about the economy program without undertaking to deal singly or item by item with the provisions of the bill.

I doubt if any Member of this House, other than those who were members of this committee, has the slightest idea of the task and the overwhelming burden this committee assumed when it undertook to carry out your instructions. I doubt if there is anything as nearly impossible or as difficult as the one thing of withdrawing the strong arm of the Federal Treasury, which has been extended within the last 10 or 12 years in so many directions, touching almost every business and, indeed, touching even the social life of the citizens. It is practically impossible of accomplishment by a political body. People have grown used, if you please, to the benefits, the blessings, if we may call them that, which Uncle Sam has extended within this time.

The cost of government within the last 10 years has mounted \$1,000,000,000. We are living now in times of great economic distress. Day after day we read in the press where men and women are marching almost in mob formation upon courthouses, upon capitols of States, demanding, if you please, that the cost of government be brought down.

Realizing the necessity of economizing, if our Nation is to stay on an even keel financially, your committee set about to do all it could in an intelligent way to present you certain proposals which might be immediately adopted and which will save the Treasury, not for 1945 but for the year 1933, approximately \$200,000,000 if adopted. We have not covered the entire field; we have merely scratched the surface.

A committee several years ago under President Harding's administration undertook this same or a similar problem. After two years of hearings, going into this and that department, with a view of doing away with overlapping, and consolidating similar work in one agency, or by joining many agencies, finally made a report to this House after laboring for two years.

I mention that to give you an idea of the difficulties that we have had in the time the committee had to cover the entire field and bring to you a bill dealing with the entire consolidation of the Government.

We have brought you a bill which, of course, has been condemned from one end of the country to the other by certain minority organizations and high-powered propagandists who have flooded you with telegrams. The committee itself is not satisfied with the bill as a whole. In other words, no one of us agreed to all of its provisions. This happens in practically all bills presented. But we recognized that in these provisions there are many things that should have the attention of Congress, and we have brought them here in one bill for your consideration. It now becomes your responsibility.

Under the rule agreed upon by the House, let us hope we will not spend two weeks on the bill, let us hope that we will get through and do justice not only to the employees and the various agencies of the Government but justice to the Government and the taxpayers. [Applause.] Let us hope

that we may get along and settle this problem one way or the other in two days.

I do not know what you will do with this bill, but your constituents will watch your vote on it. We have submitted the problem to you; and if you see fit to kick it out entirely, that is your responsibility, and you will then go home to answer your own constituents for your action on this floor. We do not say the bill is perfect, but it is the best we could do in the time allotted to us.

There have been certain organizations that have complained bitterly, more especially as to the question of the reduction of salaries. Labor organizations have even gone far enough to condemn certain persons of the committee, including myself, writing into our districts that we were hostile to labor by proposing a reduction of salaries; that we are setting an example or precedent on the part of the Government that will be followed by private industry everywhere, and that there is a principle involved rather than men's pay. You can not make me believe that. I believe the Federal employees are more interested in their pay than the preserving of a principle that makes the smaller-salaried man bear greater burdens.

Some newspapers of the country, and especially those in Washington, have vigorously protested the reduction of salaries of Government employees, and yet I dare say that every last one of them have reduced the salaries of their own employees. Of course, they wish every dollar possible expended in Washington, by the employees of the Government.

We are not legislating here for the benefit of any men or set of men. We are trying to speak for all the people, for the inarticulate masses of the country, some of whom have not got enough money to-day to send you a telegram. [Applause.] Personally, I refuse to be dictated to or wear the collar of any man or set of men. I never have done it, and it is too late now to begin. Remember, gentlemen, any man who has a job with Uncle Sam is fortunate indeed in these days of trial and stress.

I recognize there are lower salaries involved in the bill, but the cost of living has gone down more than we propose to reduce any salaries, and we do not propose to go below the thousand-dollar man. You say that that is a small salary. Indeed it is, but it is a much bigger salary than it was three years ago, and a man who could live upon it three years ago can live on a little bit less at a time like this, at least for one year. I am glad to say that notwithstanding the many protests we have had, we have also received some wonderful letters from employees, patriotic men and women, if you please, who say that if the Government needs a small part of their salary at a time like this they are perfectly willing to give it to the Government. That is the proper kind of spirit to show, rather than seek condemnation of the committee for suggesting a small sacrifice in the hour of their country's need. I am not here to legislate for minorities.

My personal opinion is that the highly paid and high-powered propagandists, the organized minorities, the bureaucrats have almost destroyed representative government in this country. [Applause.] What are you going to do about it? If your business income is cut in two, what course should you follow? If in your own home you have many servants highly paid and your income is cut half in two, will you increase the servants and raise their salaries? No. The argument of some gentlemen here is that the way to prosperity is to engage more employees and pay them more. I can not follow that sort of reasoning. Acting as one of the directors, as we all are, of a great business concern, the United States Government, I feel differently. We must effect economies in government if we are to put our Government on a sound financial basis.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. BYRNS. Mr. Chairman, before the gentleman proceeds will the gentleman permit me to make this suggestion? The gentleman from Alabama has only 30 minutes. I think we ought to have greater opportunity to discuss this matter

under general debate. There are one or two features in the bill that I desire to discuss. I know that the gentleman from Alabama can not begin to cover the bill in 30 minutes. So far as I am concerned, provided the House will be a little generous with me when we come to one or two of these features under the 5-minute rule, I am quite willing not to take any time in general debate, so that the gentleman from Alabama may not feel it necessary to reserve any time for me. I am willing that he should take it all himself.

Mr. DOUGLAS of Arizona. Mr. Chairman, I am very much in the same situation as the gentleman from Tennessee [Mr. BYRNS]. My understanding is that certain time under general debate would be allotted to me for the purpose of explaining certain provisions of the amendment now under consideration. In view of the fact that 30 minutes is a very limited period in which the gentleman may attempt to explain the amendment, I take this occasion to cede to him any time that he might have allotted to me, provided when the particular sections that have been allotted to me here under discussion are reached under the 5-minute rule, there will be sufficient leniency with respect to time to permit me adequately to explain them.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. SNELL. I think two hours are altogether too short a time in which to discuss this bill under general debate; and before we get started upon it, I think that the time ought to be increased. I think the gentleman ought to have a full hour for himself, or even more, in which to explain the provisions of the amendment. I wish the gentleman in charge would ask unanimous consent to increase the time for general debate by three or four hours.

Mr. SABATH. That can not be done now.

Mr. BLANTON. We would have to rise to do that.

Mr. McDUFFIE. I am quite willing to do that. I do not want to be selfish or presumptuous. I hate to take any time. It is true that no one can cover this subject within a few moments. I do agree that we should have a little more time under general debate. However, if we are going to extend the time under the rules of the House to any great length, we will be here longer that we were on the tax bill, because I understand there are many who are opposed to various propositions in the bill.

I am not inclined to make the time any longer than is absolutely necessary. I now yield to the gentleman from New York [Mr. SIROVICH], to ask me the question he had in mind.

Mr. SIROVICH. If I am interfering with the gentleman, I prefer to allow him to go ahead and I shall ask my question later.

Mr. McDUFFIE. Mr. Chairman, I can not take this bill up section by section. The pay-cut plan as offered by the committee explains itself. It simply means that every man on the Government pay roll, without exception, shall have an exemption of \$1,000 before the taxation of his salary is applied. After exempting \$1,000, the committee decided the fairest and best plan was to apply a cut of 11 per cent. That does not hit the \$1,000 man, even though he has a position with Uncle Sam, who is a great paymaster, and who gives him his sick leave and his annual leave. Under the committee plan, neither one of those leaves is disturbed.

The thousand-dollar man does not contribute a dime to his Government in taxation or otherwise. Personally I believe every citizen ought to contribute a little something to his Government. He becomes more interested in it. He realizes then how money gets into the Treasury. It is easy to get money out of the Treasury, but the great problem always confronting the Congress is how to replenish the Treasury. Be that as it may, the committee decided upon this plan even though there were those on the committee who, though opposed to a pay cut, thought it was and is the fairest and best plan. After the pay-cut plan we go to the other sections.

Mr. UNDERHILL. Mr. Chairman, will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. UNDERHILL. Why 11 per cent instead of 10 per cent?

Mr. McDUFFIE. It is the difference in the amount to be saved. Under that plan we save \$67,322,000. A 10 per cent cut would reduce that probably \$1,000,000 or more. Let us take the man who has a salary of \$1,200, under the committee's plan he would give up \$22 for the fiscal year 1933 only, the cut applying only to that year unless the Congress affirmatively decides otherwise. For the \$1,800 man there is a tax of only \$88 a year. Under the committee's plan you will note from the tables that the smaller-salaried man bears less burden than the high-salaried man. The higher the salary the greater the amount to be taken, while under the furlough system, or the staggering plan, the reverse is true—or was true before the plan was dressed by its proponents. However, the furlough plan takes more money in the long run from the employee. A majority of the employees, I believe, prefer the pay cut or the committee's plan to the furlough or staggering. "Staggering" is a very proper designation for that plan. Whatever you call it, it means a reduction in salaries. It can not be applied to the legislative branch of the Government.

Mr. BRITTEN. Will the gentleman yield for a question?

Mr. McDUFFIE. I yield.

Mr. BRITTEN. The House generally knows or understands the difference between the requirements of the bill and the President's ideas about salaries, but there were several other differences between the committee and the President. Does the gentleman know any place where those differences are printed so that we can get them and analyze them for ourselves?

Mr. McDUFFIE. Does the gentleman mean as to salary reductions?

Mr. BRITTEN. Not only that, but as to other sections of the amendment.

Mr. McDUFFIE. I do not know. I have a print of the first suggestions of the President. Each member of the committee has one. There is a committee print of the President's salary-reduction plan that is available to every Member of the House.

Mr. BRITTEN. We have that, but I thought the gentleman had some other data showing the President's suggestions as compared with the suggestions which he is now presenting.

Mr. McDUFFIE. I have in my office one copy, and the members of the committee each have a copy, but there are not sufficient copies for all the Members of the House. I am not quite sure that certain Members of the House or the committee care to have the differences between the President's original plans and the committee's plans set out in the RECORD. The President's plan, in principle, if you please, with the exception of the pay cut and a few other items, is included in this bill. There were, of course, some changes. For instance, the President suggested that we cut out the Philippine Scouts or have the Philippine government pay that expense. We eliminated that item from the bill and authorized the President to disband the scouts, if necessary. He has that authority now, and can save \$5,000,000 by disbanding the Philippine Scouts.

The President made the suggestion, if you wish it in detail, to cut out all the vocational education immediately. The committee decided otherwise.

Mr. BRITTEN. I would like to save some of the gentleman's time. Will the gentleman be good enough to insert in the RECORD the President's suggestions to-night, so that we may see those to-morrow?

Mr. McDUFFIE. The President's general suggestions have already been printed in the RECORD. I do not mind putting his detailed original suggestions in the RECORD, yet I would rather consult my Republican colleagues on the committee before I do that, and I think if the gentleman understood it, he would rather not do that. I wish to avoid partisanship in the consideration of this bill.

Mr. BRITTEN. I do not understand the President's suggestions were confidential in any sense.

Mr. McDUFFIE. Not at all.

Mr. WOOD of Indiana. The President's plan will be entirely presented before this evening is over.

Mr. McDUFFIE. The gentleman does not mean all that the President originally suggested to the committee, of course.

Mr. WOOD of Indiana. That is it.

Mr. McDUFFIE. The gentleman does not mean everything the President suggested to the committee will be presented?

Mr. WOOD of Indiana. No.

Mr. McDUFFIE. The gentleman refers to the President's views as included in this bill?

Mr. WOOD of Indiana. Yes.

Mr. McDUFFIE. Now, Mr. Chairman, there are certain exemptions from this salary reduction. Compensation fixed by international treaty; compensation with reference to the terms of any contract in effect on the date of the enactment of this act, and any office, of course, which can not be reduced under the Constitution, and any one of the employees who is drawing an annuity from a fund contributed to exclusively by employees.

Section 104 is part of the plan. It simply directs the heads of corporations now organized and operated by the United States Government to carry out the salary-reduction theory.

Then comes the Saturday half holiday, and the provisions of the act with reference to employees. That does not affect the railway postal employees, because they are taken care of under a separate act. Then we made some permanent salary reductions.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. McDUFFIE. Mr. Chairman, I yield myself five additional minutes.

There is no pleasure in doing what we have done. Whatever we do would hurt some one. Whatever we do is going to affect or will be felt by everybody on Uncle Sam's pay roll—the Congressmen themselves, their employees, their mileage, their stationery. We have tried to go all down the line from the President. Of course, we could not reach the President's salary, but we have provided that those who can not be reached under the Constitution could contribute such of their salary as they may see fit, and the Treasury of the United States is authorized to accept it.

There are some very excellent gentlemen holding high places in Washington. The question came up as to whether all salaries should be reduced. If you could see the letters which have come to my desk and the telegrams which have poured into this committee from all over the country, you would become convinced that the people of this Nation are thoroughly interested in the reduction of Federal salaries. Some go far enough to say, "Cut them in half." People talk about bureaus and commissions. The average man, unless he has had much contact with them, does not always understand what those terms mean, and does not know in detail what these bureaus or commissions are doing, but every man and every taxpayer knows something about salaries, and when we talk about reducing salaries, then he understands what we are doing for him. If we do not reduce salaries at this session of Congress in some reasonable way, my prediction is that in the next session of Congress salaries will be reduced even more than they probably should be reduced.

I do not look for flush times immediately. God knows I hope for them and long for them, but I do believe that for a period of years we will not return to that heyday of prosperity that existed in 1929. Therefore I say, if matters grow worse, there will be such demand in this country for a reduction of everything in the way of Government expenses that this Congress will be forced to do more than it wishes to do when it comes to the reduction of salaries.

Mr. MAY. Will the gentleman yield?

Mr. McDUFFIE. I yield for just a question.

Mr. MAY. Is it not a fact that the telegrams and letters the gentleman is receiving, like the letters and telegrams the rest of us are receiving, are more directed at the cost

of government without particular reference to salaries than they are directed to salaries in particular?

Mr. McDUFFIE. I was speaking of the telegrams and letters I received. Most of these letters urge a reduction in salaries.

Mr. MAY. And many of them likewise complain against the multiplicity of bureaus and boards.

Mr. McDUFFIE. Yes; I understand. It is not altogether a question of urging a reduction in salaries; one question for you is how you are going to do it? The President's plan, the staggering plan, the furlough plan, or whatever you choose to call it, means a cutting of salaries.

These very people who are crying out against the principle of cutting Government salaries, if you please, know that practically 90 per cent of the industries of this country have reduced salaries. The churches, schools, States, counties, even the nurses in the hospitals of the country, have suffered a reduction in salary. The largest body of laboring men in America, 2,000,000, the railway laborers, accepted a 10 per cent reduction in pay.

Mr. BLANTON. Will the gentleman yield?

Mr. McDUFFIE. For a question only.

Mr. BLANTON. And the employees of the Government prefer the committee's plan to the furlough plan of the President. Is not that so?

Mr. McDUFFIE. I do not know that I can answer that question.

Mr. BLANTON. All of those I have heard from prefer the committee plan.

Mr. McDUFFIE. I think the \$1,200 man invariably prefers taking a cut of \$22 instead of a cut of \$100.

[Here the gavel fell.]

Mr. McDUFFIE. I yield myself the remaining five minutes.

Mr. Chairman, we have provided also for charges for certain services rendered in certain departments in the hope that we might make those activities more self-sustaining. We have provided that the Bureau of Standards and the Bureau of Patents may make charges for special services, and we have made a similar provision for the Department of Commerce, where they gather statistics for certain organizations throughout the country. We need that revenue as a part of the economies of Government and expect that for the year 1933 it will amount to \$725,000.

We have provided for a few consolidations. In addition to that, we have granted the President of the United States, at his suggestion, authority by Executive order to reorganize the entire Government by consolidations, not by the changing of statutes, of course, or by abolishing anything created by statute. That authority can only be delegated by Congress; but he is given broad powers. Yet either House of Congress may veto his order. There are many things he has indicated to the committee that he could do within 30 days and effect great savings. Therefore, I hope this bill will be passed and will reach him in time for his suggestions to reach the House for its approval so as to save money for the year 1933.

Mr. SCHAFER. Will the gentleman yield?

Mr. McDUFFIE. Just for a question.

Mr. SCHAFER. Will the gentleman give the House some explanation for the radical proposal to give a Cabinet officer the authority to consolidate the Army and the Navy, to create and expand, as well as to eliminate and consolidate?

Mr. McDUFFIE. That explanation will be given by the gentleman from Tennessee [Mr. BYRNS] before the bill is voted upon. The gentleman from Wisconsin sat on the committee considering that question for some time. The gentleman is opposed to consolidation of the Army and Navy, but the gentleman heard practically only those who were in the Army and the Navy and those connected with them, who always have been and always will be opposed to it. [Applause.] There is but one thing for us to do, and that is for this Congress to assert itself if it believes it can, and place these two great arms of the Government under one executive head without impairing the national defense.

Mr. CLANCY. Will the gentleman yield for a question?

Mr. McDUFFIE. I yield.

Mr. CLANCY. Is it true that the committee is bringing in an amendment compelling the sale of docks and piers in the port of New York?

Mr. McDUFFIE. The committee decided that the transport service of the Army and the Panama Canal Railroad Co. might well be dispensed with for two reasons. One is that we believe private interests can do that work as cheaply or more cheaply than the Government is now doing it. The other is we have to have a merchant marine upon which we are spending millions. This service will be helpful to the merchant marine, the operators, and owners of which are taxpayers of this Government, who help to pay for the Army and Navy transport service. We are the only great Nation on earth that maintains such a service.

In other words, the principle is that if private enterprise can do anything as cheaply or more cheaply than the Government can do it, that private enterprise should have the opportunity to perform the service. The amendment which the gentleman speaks of was adopted by the committee, and it provides that no docks or piers can be disposed of by any executive head of this Government or the President himself without authority of the Congress.

Now, gentlemen, we are building a great heating and lighting plant in the District of Columbia. The Treasury Department is building one that will cost about \$5,000,000. The Treasury Department, through its experts, says that one plant can serve the entire city. However, provision was made some time ago for an additional plant called an auxiliary plant, to be constructed near the Munitions Building, at a cost of \$750,000. There was a difference of opinion in the War Department, and it became a question of policy and judgment on the part of this committee, and the committee thinks that if one large plant can heat all the buildings, it would be unwise to spend \$750,000 to build an auxiliary plant. So we have suspended for 1933 the amount to be carried for that item. [Applause.]

[Here the gavel fell.]

Mr. WOOD of Indiana. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I want to talk for just a minute about the Panama Railroad situation. At the request of the Secretary of War and the then chairman of the Military Subcommittee I became a director of the Panama Railroad three or four years ago. I have watched its operations pretty closely ever since.

The Panama Railroad carries most of our stuff down to the Canal Zone in four ships that are operating between the port of New York and the Canal Zone. This line was started in 1854, and it has operated continuously since 1894. Of course, the railroad company runs a lot of other things besides the steamships. The steamships of the railroad company, operating along through the years, have shown a profit when you come to consider their operation on the basis of rates that are charged by other concerns. The total profit has averaged over the last five years \$441,000. If, on the other hand, instead of figuring on that basis we figure on the basis of the actual receipts and disbursements—and, mind you, the steamship line gives the Government a rate 25 per cent below the regular tariff rates, and they carry the Panama Canal and Panama Railroad employees and their families back and forth to the port of New York for \$30 each way. It is absolutely necessary that those employees, if they are to continue efficient, shall have a chance to come north into a better climate.

The total operations, beginning in 1919, have shown a loss of \$49,000 based on cash receipts over those 13 years, a very insignificant amount.

By this bill it is proposed that the President obtain a contract from private shippers so that we can tell what the private shippers will charge before the proposed law goes into effect. It is also provided that they be required to give a discount of 25 per cent below published tariffs in transporting employees. That would mean carrying them for from \$70 to \$75, and it means that they practically can not afford to come to the United States; it means an extra burden on them and practically cuts out that trip for them.

It is absolutely necessary, I say, to have them make this trip north if they are to continue efficient.

The concerns in whose interest this provision is put in the bill are the United Fruit Line, the Grace Co., the Colombian Steamship Line, the American Line, the Steamship Corporation, and a number of others. These lines are now operating on a mail subsidy from the United States upon which they will be paid in 1932, \$7,333,000. In 1933, \$9,383,000 will be paid; and these lines hold construction loans from the United States Government amounting to \$56,000,000.

Why should we pay more or force our employees to pay more when in normal times we can operate these lines and break even? Why should we not keep these ships and keep them running so we can have the facilities and take care of our situation? During the war there were no private ships down there, and in other normal times there have not been many, until the subsidy proposition went into effect, and that subsidy is costing the Treasury of the United States more than ten times every year to operate those ships than the total loss altogether ever was.

It is absolutely ridiculous, it seems to me, to abolish these lines at this time and put an additional burden on the Treasury and on the employees of the Panama Canal and the Panama Railroad.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks by putting in tables showing the details of the statements I have made to the committee.

The CHAIRMAN (Mr. WOODRUM). Is there objection to the request of the gentleman from New York?

There was no objection.

The matter referred to is as follows:

Net revenue of Panama Railroad Steamship Line, without taking into consideration the savings to the Government effected by carrying Government freight and passengers at rates from 25 to 80 per cent below tariff, estimated over this period to be about \$10,000,000

Year	Profit	Loss
1919	\$3,126,000	
1920		\$118,000
1921		629,000
1922		719,000
1923		369,000
1924		559,000
1925		198,000
1926		285,000
1927		49,000
1928	102,000	
1929	47,000	
1930		153,000
1931		245,000
Total for 13 years	3,275,000	3,324,000
		3,275,000
Net loss, actual cash		49,000

The report of the Committee on Economy states that discontinuance of the line will result in a saving to the Government of about one-half million dollars a year, and also, that in order to exist, it must take over a million dollars a year purely private business from private lines. These are deliberate misstatements, as is shown by the statistics below, setting forth the operations of the steamship line during the poorest period of its operations. The statement relative to savings is ridiculous, for the steamship line receives absolutely no appropriations from Congress and is actually a source of economy to the Government.

Fiscal year	Gross revenue plus savings by carrying Government business below tariff rates	Gross operating expenses including depreciation	Total net profits	Capital investment of steamers less accrued depreciation	Per cent of return on investment
1927	\$2,511,000	\$2,076,000	\$435,000	\$1,890,000	23
1928	2,768,000	2,188,000	580,000	1,725,000	33
1929	2,645,000	2,090,000	555,000	1,595,000	35
1930	2,382,000	2,010,000	372,000	1,475,000	25
1931	2,024,000	1,763,000	261,000	1,398,000	19
Annual average over period	2,466,000	2,025,000	441,000	1,617,000	27

NOTE.—The gross revenue includes business to South America, averaging about \$400,000 annually, which in December, 1931, was given up for the benefit of American steamship lines.

Abandonment of the Panama Railroad Steamship Line will have serious effects upon the operation of the canal; one of these will be increased costs. The latest attempt of private steamship lines to discontinue or to curtail the activities of the Panama Railroad Steamship Line, whose operations during the construction of the canal, as now, have resulted in saving the Government many millions, should be bluntly frustrated.

Additional expenditures will be incurred by the Government if the Panama Railroad Steamship Line and the Army Transport Service are discontinued.

Real economies can be effected by reducing ocean mail subsidies and ship-construction loans to private steamship interests.

Details on ocean mail subsidies and ship-construction loans

	Mail subsidies		Construction loans
	1932	1933	
Lines operating to Panama and Haiti:			
United Fruit Co.	\$999,640	\$1,483,112	\$15,412,800
Grace Lines	2,187,378	2,452,474	14,739,806
Colombian Steamship Line	234,940	524,710	3,614,500
American Line Steamship Corporation	418,496	418,496	10,943,500
Miscellaneous	957,536	1,048,586	
Other lines operating in the Caribbean	2,805,557	3,456,522	11,439,383
Grand total for Caribbean	7,333,547	9,383,900	56,149,989
Lines operating in the Pacific			
Panama Railroad Steamship Line	6,616,758	6,971,692	28,778,920
Appropriations by Congress for Panama Railroad Steamship Line	Nothing.	Nothing.	Nothing.

Mr. SCHAFER. Will the gentleman yield for a question?

Mr. TABER. Yes.

Mr. SCHAFER. If the private shipowners who are trying to get control of the Panama Steamship Line and the Army and Navy transport system in the name of a poor, battered Treasury would bend their efforts to removing the burden on that Treasury of more than ten times the cost of said services in the way of subsidies to their steamship companies, they would be in a better position to come to Congress with clean hands. They might then talk about economy in the name of reducing Government expenditures.

[Here the gavel fell.]

Mr. COCHRAN of Missouri. Mr. Chairman, I yield myself five minutes.

Mr. Chairman, while in agreement with members of the committee on many important items, I am in disagreement with the committee in reference to the items that affect the personnel of the Government and also in reference to some of the items that affect the veterans.

The gentleman from Alabama [Mr. McDUFFIE] spoke of salary reductions. When you come to think of salary reductions I ask you to please examine this bill. It perhaps would not be so bad if you reduced the salary of Government employees, especially those that could stand a cut, but this bill goes far beyond a simple reduction of salary. Let me call your attention to what you will find within the pages of this bill.

First, there is the salary-reduction plan of the gentleman from Alabama or the salary-reduction plan of the President.

Second, you will find in the bill the section which reduces the subsistence allowance of the Government employee who is required to travel. Those who have been receiving five or six dollars a day expenses suffer a reduction of one-fifth or one-sixth of their subsistence, but the postal employee, who receive \$3 a day for subsistence suffers a reduction of one-third of his subsistence, because he is reduced from \$3 to \$2 a day.

Labor has fought for 50 years for the right to be paid for overtime work. You take this away from the Government employee in this bill and say that no matter what his hours may be he will not be paid for overtime work.

Labor has always been paid extra money for working on Sunday and holidays. You deprive the Government employee of the small amount he was receiving for working on Sundays and holidays, in another section.

You take away the night-differential pay which the employees have been receiving for many years.

You deprive the employees of automatic promotions which they have been receiving under the law, and, furthermore, you take away the Saturday half holiday which you have granted to Government employees.

Why, Mr. Chairman, if this House wanted to do something to benefit the situation that exists in this country to-day, it should adopt the 5-day week rather than increase the time of the workers of this country. [Applause.]

When you take away the Saturday half holiday from the Government employees you add nearly 3,000,000 hours a week to their labors. That means less employees—more added to the list of unemployed.

The Bureau of the Budget has reduced Government expenditures and very properly so. The Committee on Appropriations has done likewise, going below the Bureau of the Budget. There is no telling where the Senate will stop. Here are three reductions, and every one of them affects the personnel of the Government, because practically over 50 per cent of the money you spend goes for personnel. Taking in consideration these reductions, if you carry out the provisions in this bill, you are going to add to the army of unemployed in this country 150,000 to 200,000 people.

I contend that the Government employees, taking them as a whole, are underpaid rather than overpaid. The average salary of the Government employee is \$1,441. Over half of the money paid to the civil employees of the Government is paid out by the Post Office Department. The 1931 report of the Postmaster General shows the total salary paid as \$537,021,228.

Now, what happens to the postal employees under the bill as reported which contains the McDuffie plan—11 per cent reduction, \$1,000 exempted? Let us take the railway mail clerk:

First. Eleven per cent reduction on salary, \$1,000 exempted.

Second. Reduction in daily subsistence from \$3 to \$2.

Third. Loss of overtime pay.

Fourth. Loss of night differential.

Fifth. Loss of automatic promotions.

Sixth. Loss of Saturday half holidays.

Seventh. Loss of extra pay for working on holidays or Sundays.

The Hoover plan is even more drastic, as the employee also loses his annual leave.

This is but an example of what happens to the postal clerk, who never did receive over 15 days' annual leave, while other Government employees received 30 days' annual leave. The postal employee also works an 8-hour day, while other Government employees work 7½ hours.

The principle of extra pay for overtime as well as for work on Sundays and holidays is sound and should have never been disturbed. The same can be said of the extra night differential.

The postal employee received no increase in salary during the war. It was six or seven years following the war before he was recognized. To deprive him not only of that small increase but other allowances he has enjoyed would work a severe hardship on this class of employees. The maximum salary of the postal employees—\$2,100—is enjoyed by only a small number of postal clerks; in fact, \$1,400 is the average salary. The postal clerk must live within his salary, because postal regulations provide for his discharge for failure to meet his obligations.

While the postal clerks, by reason of special provisions in the bill other than the salary reduction, are the hardest hit, all the lower-paid Government employees, if the plan is agreed to, must lower their standard of living. The Government employee to-day, like those employed by private corporations, has assumed added responsibilities due to the depression. He is in many instances caring for his immediate relatives out of employment.

The fate of the Federal Government does not depend upon reducing the salary of the Government worker. Cut those in the upper brackets if you desire; they are better able to stand it; but I am opposed to slashing the barely living wage paid those in the lower brackets.

As to the veterans.

There is a provision in this bill which says a war veteran who is single and made an income-tax return of \$1,500 is not entitled to any recognition from the Government unless his disability be a combat disability, and this means that he must have received the disability while in action with the enemy.

[Here the gavel fell.]

Mr. COCHRAN of Missouri. Mr. Chairman, I yield myself five minutes more.

How much can a man save who is receiving \$1,500 a year? He is subject to the income tax law, and to-day's paper tells us that the Senate has raised the rate for those in the lower brackets in the bill now pending in the Senate. Suppose one who had served two full years in the Army had been in half a dozen engagements and the Lord was good to him and he came home in fine physical condition. Let us say that he has gone along well, but suddenly some acute disease attacks him. He is single, his parents are probably dead, he lives in a rooming house, and he becomes ill and must go to a hospital. To-day it would be an emergency case, and he could be taken care of for a week or two weeks, and then he could go back to work; but if you pass the provision in this bill, he would be denied hospitalization.

This provision applies not only to the World War veteran, but it applies to the Spanish War veteran.

Mr. McDUFFIE. Will the gentleman yield?

Mr. COCHRAN of Missouri. Certainly.

Mr. McDUFFIE. I wish the gentleman would read the exemptions in that clause and tell us about those who are not included.

Mr. COCHRAN of Missouri. I admit there are other exemptions, but I cite this case as an example of what you do.

Mr. McDUFFIE. Tell the committee about that. Do not refer to them all without naming the exemptions.

Mr. COCHRAN of Missouri. How much time will the gentleman yield me? I will read the entire section if the gentleman will yield me sufficient time, and also read the report. I will make no misrepresentations. I will be fair.

Now, Mr. Chairman, the gentleman from Alabama talked about the bureaus of this Government and stated they destroy our form of government. I say to the gentleman that if the Economy Committee had spent its time destroying such bureaus that are destroying our Government, it would have served a better purpose than it has.

There is an opportunity to save as much by destroying useless bureaus and ending duplication and overlapping as can be saved by reducing salaries. Such savings would be permanent savings. There are many important sections in this bill, and my limited time will not enable me to refer to them now.

The task of the committee at the outset did not seem to be a difficult one; but as we proceeded, the Senate reduced the appropriation bill 10 per cent and the Committee on Economy was intending to work along the same line. Then there was a letter sent to the President of the United States asking him to specifically state his views in reference to what reduction could be made, and the result was several White House conferences, and in the end there was an entire new plan developed by the committee and the President and his representatives.

Originally it was the intention of the committee to ask the Committee on Rules for a rule to bring in the salary reduction bill as an amendment to the legislative bill. After receiving the rule the majority of the committee voted to bring in a bill here the like of which no Member has ever seen or read of.

I say it would have been to the advantage of the committee and the House and the country if you had brought this legislation in in four or five separate bills.

Why, gentlemen, think of this—under the rules of the House if this amendment is added to the legislative appropriation bill, and if it passes the Senate, there will not be a member of the Economy Committee named as a conferee. The members of the Subcommittee on Appropriations in charge of the legislative appropriation bill will be the con-

ferrees, and not one member of that committee is a member of the Economy Committee.

Mr. SCHAFFER. Perhaps that would be a good thing.

Mr. COCHRAN of Missouri. I do not agree with the gentleman. Now, Mr. Chairman, I am going to have something else to say about the provisions of this bill under the 5-minute rule. My thought is the sooner the House gets down to business and acts on this legislation the better off the country will be. [Applause.] I now yield five minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SCHAFFER. Mr. Chairman, believing that we have only a brief time to discuss the far-reaching bill, I think we ought to have a quorum; and I make the point of order there is no quorum present.

The CHAIRMAN. The gentleman from Wisconsin makes the point of order that no quorum is present. The Chair will count. [After counting.] One hundred and seven Members present—a quorum.

Mr. SABATH. Mr. Chairman, ladies and gentlemen of the committee, I originally and strenuously opposed the special rule brought in that made in order this economy bill; but after it had been amended on the floor, giving the Members the right to offer amendments, I voted for it as amended, inasmuch as I am for economy. But, Mr. Chairman, just because the Republican administration brought about these intolerable conditions and this serious crisis by destroying the business of the Nation, by gross extravagance and willful waste, and by wrecking and breaking the Treasury and causing a deficit of \$2,000,000,000 for the fiscal year of 1932, it does not mean that, nor does it make mandatory upon, the slim Democratic majority, which only lately secured partial control of this House, should make up this great deficit overnight by slashing the salaries in order to balance the Budget.

I for one greatly regret that the Democratic leaders do not realize that the country-wide demand to balance the Budget is due to the conniving, high-powered Republican and big-business propaganda. Mr. Chairman, ladies, and gentlemen, the same greedy financiers, investment bankers, brokers, and manipulators who, with the aid of the Republican administration, brought about the criminal inflation during the years of 1927, 1928, and 1929, and, since the fall of 1929, the destructive deflation, have set into motion the greatest publicity campaign and are conducting the most vicious propaganda in the history of the country.

The underlying reason for this is the greedy and willful aim and intent to relieve themselves from a just share of taxation and to place that burden on the ruined legitimate business and the suffering—yes, ruined—masses. Mr. Chairman, I am ready to reduce the wages of the higher-paid employees and officials, and I am ready and willing to vote for the reduction of my own salary, but I am unwilling, and I feel it is manifestly unfair, to reduce the wages of those who are earning less than \$2,000 annually.

I feel that the reduction of the wages of the lower-paid Federal employees will encourage the large employers and industries to reduce, cut, and slash the wages of the American wage earner still further, and to my mind this is the real reason for bringing about the reduction in the wages of the Government employees. So that my position will not be misunderstood, I reiterate that I am for the reduction of salaries of all higher-paid officials and am in favor of eliminating useless employees. I am also in favor of, and will vote for, the elimination of every useless bureau and commission. I am for real economy. I desire to economize in all departments and bureaus and stop the leakage in these bureaus, and, if in any way possible, prevent the awarding of any contracts that are excessive and that are given to the favorite contractors and supply houses.

Mr. Chairman, I realize that it is extremely unpleasant to increase taxes, but I am ready to vote for and shall vote for any reasonable additional revenue; however, I am opposed to adding greater burdens and additional taxation upon the already overtaxed people. I have observed that there is a great deal of satisfaction and joy among the Republican Members and have overheard many statements to the effect that the Republicans are shifting this unpleasant task of

raising additional revenue upon our shoulders. I feel that we Democrats should assume our just share of responsibility, but I resent the attitude, statements, and maneuverings of the Republicans to unload upon us the entire responsibility for their misdeeds. Some of these gentlemen on the Republican side make merry over the fact that they will be able to charge the Democratic Party with the reduction of the salaries and thereby prejudice the Federal employees against the Democratic Party; but I am confident that the vast majority of the Federal employees realize that it is not the Democratic Party but Republican duplicity that is responsible for this action.

Mr. Chairman, ladies, and gentlemen, the Democratic Party and its leaders are cognizant of the responsibility and duty they owe to the Nation and realize that the country looks to them for relief from the unnecessary and heavy burden placed upon their shoulders by the Republican administration. But the Democratic leaders fail to realize to what extent the Republicans have gone in the endeavor to relieve themselves of all responsibility and the methods they are employing to place it upon us. These astute Republicans fail to recognize the fact that—

He serves his party best who serves the country best.

Consequently I feel that it will not avail them or save them from being held accountable for the wreck and ruin they have wrought and which we, to the best of our power and ability, are trying to remedy.

In conclusion, let me say to you Republicans that I am full of glee and joy to-day to recall that—

He who laughs last laughs best.

Mr. COCHRAN of Missouri. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. CROSSER].

Mr. CROSSER. Mr. Chairman, when we consider this proposal for wage reduction from the standpoint of the general welfare, it is astonishing, to say the least. Everyone here knows, everyone has stated from the very beginning of this Congress and for months before, that the first consideration of the Government should be the revival of business. The passage of this bill will do more to retard the revival of business than any other one thing that we could do. We have unemployment on every side.

We were told less than a year ago by the administration, and Members of this House approved the suggestion that the Government must go on with improvements and begin new Government enterprises in order that men might be put to work. Of course, that was not fundamental, but it was a step in the right direction. Here to-day we see a proposal to reverse that course. The administration, uncertain of its judgment, goes from one plan to a method which is exactly contrary. The administration completely reverses its whole course and proposes to turn thousands of men into the highways of the country to compete with the few men still remaining employed. The men in private industry were told not to reduce wages, but here on every hand we see proposed the slashing of the wage standards. Why this change of front, why, after having so solemnly assured us of a determination to maintain the standard of compensation, does the executive department of our Government come now and suddenly say, "We were all wrong, and all good people should turn face about and abandon the idea of trying to maintain the pay standard of employees," and now tell us that the way to bring about an economic revival is to turn into the army of unemployed thousands of men and cut the salaries of all of the rest?

Is that the way to increase the consuming power of the public and restore your markets? What childishness! Members of this House have intelligence enough to know that such action will not increase markets, and they know that others know that it will never revive business, that it will tend to destroy business. How far will we go with that idea? Suppose we have another call made upon us to reduce still farther the number of employees and abandon essential services, if need be, and cut still farther the salaries of those remaining. How would that bring about a revival of business? Yet the only thing that they can offer as a

remedy for the depression is to cut salaries and reduce the number of employees in the Government service.

These men must realize how worse than useless is such a proposal as a remedy for our troubles. Is that the measure of statesmanship of those in control at present? Is the reduction of Government service the best that they can suggest as a remedy for the depression?

Why not say then abolish it entirely, and thereby save the expense?

My friends, it is necessary that a start must be made somewhere to bring about the employment of the unemployed. To continue to put more people out of employment will make it necessary to discharge still more, because the increase of unemployment means the decrease of markets. If any concern in the country should undertake the increase of employment, it is the Government, and it can do so profitably. When the Government undertakes new projects, and so employs more men, that means that all of the people of the United States contribute to and cooperate in the effort to revive commerce. That is certainly more reasonable than to expect a private employer on his own account to try to start employment on the upward movement.

Realizing the weakness, the uselessness of this wage-cutting proposal as a means of remedying the depression, some Members of Congress hope to try to excuse themselves when asked for an explanation of this cheap pretense of remedying unemployment by cutting wages and discharging thousands of employees, such Members hope, I say, to satisfy questioners by saying, "Well, maybe it will not do any good, but look, we are cutting our own salaries 11 per cent, we are pinching ourselves, and surely it must make you feel better to know that some one else is hurt." Surely intelligent people can see through that trick. What is needed, my friends, is not cheap claptrap, but a remedy of a fundamental nature.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. WILLIAMSON. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. COOKE.]

Mr. COOKE. Mr. Chairman, I think the gentleman who preceded me perhaps has expressed a good many of the things uppermost in my mind this afternoon in respect to the question of wage reduction. It does seem to me that this great body of the American Congress has almost entirely missed the real purpose of economy in government and is beginning to think more about reducing wages in the country to the bare cost of the necessities of life than it is to economizing in government. To my mind we are confronted by a greater question by far than the problem of economy of government. We are confronted by the question of satisfying in some degree the great body of the people throughout this country, and the great body of the people throughout this country consists of the working people, who are not the people who are demanding a wage reduction among Federal employees. I think that most of your demand for a reduction comes from the employers throughout the United States, and I say to you that what little tranquillity we are enjoying at the present time, and what little of prosperity is left for the American people are not attributable to the leadership emanating from those leaders of finance and industry responsible for that demand.

It is not due to our railroad leaders nor our great bankers, but it is due to the men who work with their hands, who toil upon the farms, in the factories, and in the industries of America. Are we going to discourage and disappoint the people of this country to-day by saying to them that we are going to reduce salaries and wages of this great army that I believe stands as our most dependable offensive in the battle against depression in this country? Are we going to take an army of 700,000 people, the only great group of people in the United States to-day enjoying any degree of satisfaction as far as laboring conditions are concerned, and remove a part of their members to the ranks of the unemployed and dissatisfy the balance? Are you going to satisfy by that all the employers of labor throughout the

country, so that they may cite this as a precedent for the lowering of wages in private industry?

I care no more for the Government employee than I care for the man in private industry, but I say to you that it is the common man, it is the American Federation of Labor, through its leadership, the common men, through their leadership, that have made possible the Government we have to-day. We must realize that through the breasts of men in this country there runs a spirit to-day demanding that something be done; demanding that they have some opportunity in this great country apart from that dictated by men higher up.

I say to you that unless we give some kind of omen, some kind of symbol to the people of this Nation before we adjourn that we believe more in the rights of workingmen, believe more in upholding their rights and their jobs and their salaries, that we are going before the people, both Democrats and Republicans, this fall with a brand upon us of not having done for the people we represent the things that should have been done.

Mr. Chairman, I believe that in the sane and sensible consideration of this question this Congress will look upon this question of wage reduction in a fair and just light; that we are going to keep the people employed here; that we will do as the gentleman from Missouri [Mr. COCHRAN] said a few moments ago—instead of adding to the number of unemployed here, we will shorten the hours of labor and put more people to work. We are going to try to restore prosperity by the only method you can use at any time—by raising commodity prices and by giving the people the wherewithal to buy the things that make for prosperity.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. COCHRAN of Missouri. Mr. Chairman, I yield four minutes to the gentleman from New York [Mr. BLACK].

Mr. BLACK. Mr. Chairman, it is very easy to balance the Budget when you refuse to pay what you owe. [Applause.] We owe by the present law and by practice and by promises all the money we are denying the people by this bill. This is not Budget balancing. This is not any high order of economics. This is not even good politics. This is just plain, ordinary, everyday embezzlement from a lot of weak people who can not protect themselves.

Every Federal employee already has to bear, directly or indirectly, his share of increased taxes. Why add to his burden? Why make the Federal employee pay about 200 per cent more in taxes than everybody else on the same economic scale? We increased taxes for everybody, either directly or indirectly. The Federal employees, as well as those engaged in private employment, must pay those increased taxes. Why add to their taxes? What is the sense in that? What is sound about that? If the Federal employees are going to pay taxes at this great rate, by this deprivation, why not have the courage to tax everybody else at the same rate, if you want to balance the Budget?

As to my friends the Democrats, I said at the beginning of this session that the only possible way the Democrats could lose the next campaign was that Hoover might become a Democrat again. That was the big danger. Instead of that, the Democrats are becoming Hooverized, and there is just as much danger.

Our party is playing with dynamite in this bill. We have already arrayed directly all the taxpayers of the country against us. Now we insist on having the wage earners of the country against us. In other words, we insist on being 100 per cent unpopular. We are creating at this time a new and lower economic scale. We are creating it how? By legislative fiat, if you want to call it that, but I think by legislative fiasco. What is happening here? The White House and Congress began to make a lot of noise about economy. Instead of trying to do something constructive for the country, instead of either having a plan—either the White House or the congressional leaders—they began to talk economy because they were caught short without a plan. They were fooling the public and fooling each other, and now they

have got a bear going downhill. Now they have to do something that neither one wants to do. We began trying to trump the President on economy and then he trumped us, and now look where we are. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WILLIAMSON. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I am opposed to the bill in its present form, but hope that sufficient amendments will be adopted that will make it possible to vote for it. I am sorry that this so-called economy bill is being forced upon the House at this time. I consider the bill to be filled with hysteria, hypocrisy, hokum, and humbug. Both hysteria and hypocrisy for rushing in here when at the same time the great Committee on Ways and Means of the House of Representatives is considering the so-called bonus bill to pay \$2,400,000,000 in cash to the able-bodied veterans of the World War. This bill should have been delayed at least a month, until we know where we are at; until we know what Congress will do with the bonus bill; until we know what the other branch of the legislative body will do in regard to the tax bill. We do not know what our deficit will be. We do not know yet how much is needed to balance the Budget, and this bill is supposed to be a bill to help balance the Budget. Why the haste and hysteria? None of the proposed savings or cuts can go into effect before July 1.

It is filled with hypocrisy because many Members who are going to vote for this bill on grounds of economy intend to vote for the soldiers' bonus, and that is one of the reasons I am opposed to the bill being considered now or before the bonus bill has been disposed of. I am sorry that the rule was adopted and that the bill was not brought up in the proper way instead of as a rider on an appropriation bill. I am sorry the Economy Committee did not decide to hold the bill back for at least a month until the fiscal situation had cleared up.

This bill proposes to cut down the pay of those Federal employees receiving salaries above \$1,000. The only thing the House of Representatives has done to relieve human misery in the United States has been to vote out the 40,000,000 bushel wheat bill, and that under great pressure. That is the only gesture we have made. We have not even considered the fact that there are 8,000,000 unemployed people in America, many millions more on part time, and many millions more scared to death they are going to lose their jobs. It is about time that we had a constructive program to do something for the benefit of the unemployed and to relieve unemployment. The Economy Committee now proposes to even reduce the salaries of the most poorly paid Federal employees—those receiving eleven, twelve, and thirteen hundred dollars a year, which is not a living wage.

No wonder Mr. William Green, head of the American Federation of Labor, denounced the bill in its present form as legislative trickery and an attempt to reduce the American standard of wages and of living. I just voted a few minutes ago on a teller vote to reduce the salary of a Member of Congress by 10 per cent, and will be glad of an opportunity on a record vote to reduce it by 11 per cent, as suggested by the Economy Committee.

I, for one, certainly will not vote for this bill unless the pay-cut exemptions are raised to \$2,000 or \$2,500. I am opposed to the proposed reduction of the benefits for the disabled veterans. Nothing was too good for the disabled both during and just after the war, but now those for whom there has been no armistice are called on to make further sacrifices. Such hysterical, picayune, and humbug economy will be resented by the American Legion and all friends of the veterans. What hypocrisy for sake of politics to attempt in this bill to consolidate the War and Navy Departments. Just a mere political gesture and nothing but pure hokum.

No wonder a great many Members voted against the rule, and many more would have voted against the rule if the gag section had not been stricken out. I am in favor of economy, but not of the hysterical or hypocritical brand. If the Congress had voted for the manufacturers' sales

tax, we would not have to reduce the salaries of low-paid Government clerks and cut the benefits of the disabled veterans and eliminate the funds for educational research.

Who knows to-day whether we need to save \$100,000,000, \$200,000,000, or \$300,000,000 in Federal appropriations?

As far as the Army and the Navy are concerned, the proposition that I advanced in the House of Representatives a little while ago showed where we could save \$100,000,000 and maintain the same efficiency and degree of national defense. That proposition was to limit further the number of battleships and battle cruisers over 10,000 tons by agreement with Great Britain and Japan, while still maintaining the 5-5-3 ratio. That would save over \$100,000,000 a year and give the United States the same proportional naval strength. As it is we now propose to take some pay from hundreds of thousands of inadequately paid Federal employees. If the exemption of \$1,000 is not raised to at least \$2,000, it will amount to taking their daily bread right off their plates.

[Here the gavel fell.]

Mr. WILLIAMSON. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. LaGUARDIA].

Mr. LaGUARDIA. Mr. Chairman, I believe the utter lack of orderly and intelligent consideration of a measure which affects the economic life of this country is apparent when we attempt to consider a bill of this magnitude in two hours of general debate and force it through in night sessions. I want to say that if the leadership of this House can take any credit for that kind of legislation, they are entitled to it. It is cruel; it is wrong. Of course, I can understand some of our leaders, particularly on our side. They have absolutely no understanding of the value of money; it has come too easy to them. Why, we saw the millionaire bloc stand up to-day, thinking they were courageous, and attempt to vote down the salary of the Members of the House, so as to make a rich man's club out of it, or to send men here who would come under a retainer.

Look at the history of Congress and you will find that there was a time before the popular election of Senators when every big railroad had its lobbyist in the United States Senate. That is what brought about the popular election of Senators.

Mr. SCHAFER. Will the gentleman yield?

Mr. LaGUARDIA. For a brief question.

Mr. SCHAFER. I will say to the gentleman from New York that I have worked for a living all my life, and perhaps harder than he has ever worked, and I do not belong to the millionaire's club, either.

Mr. LaGUARDIA. And the gentleman never will. The millionaires are using him. He had better wake up. [Laughter.]

Mr. STEVENSON. Will the gentleman yield?

Mr. LaGUARDIA. For a question.

Mr. STEVENSON. I want to ask the gentleman a question without interrupting his speech. The gentleman from New York a few moments ago said that three weeks from now we might know "where we were at."

Mr. LaGUARDIA. When did I say that?

Mr. STEVENSON. The gentleman from New York [Mr. FISH] said that a minute ago. I tried to ask him a question about it.

Mr. LaGUARDIA. I can not answer for the gentleman from New York [Mr. FISH].

Mr. STEVENSON. I want to know if the gentleman thinks that three weeks from now we will know any more about where we are than we do now?

Mr. LaGUARDIA. Probably three weeks from now my colleague from New York will experience a thrill such as came to Elinor Glyn in that time; I do not know. [Laughter.]

Now, seriously, gentlemen, I submit that the burden of the economies effected in this bill is directed at the underpaid employees of the Government service, vocational training for handicapped people, reduction of allowance to disabled veterans, abolition of the Army and Navy Transport Service, which is not economy. We are paying millions of

dollars now in subsidies, and the bill for the transportation of Government troops and freight will be more than the cost of the maintenance of the Army and Navy Transport Service. There is another reason for putting that in. There is repeal of the Saturday half holiday in these times, and we are discussing a 5-day week; there is repeal of the law providing extra pay for overtime and night work—labor conditions which took us 50 years to acquire.

I know there are things in this economy bill that certain interests have been trying to get through this House for the last 10 years, and under the guise of economy they are putting them in the bill now. Why, take Mr. Hoover's own statements—I am going to read them into the RECORD—his telegram to the governors appealing to them not to reduce wages, his conference on economic conditions, appealing to the members of the conference not to reduce wages and not to discharge employees. What has happened? I would like to know if there is a spokesman for the President on the floor of this House who will stand up and say that this bill has the approval of the administration?

Mrs. KAHN. It has not.

Mr. LaGUARDIA. Then vote against it.

[Here the gavel fell.]

Mr. COCHRAN of Missouri. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Chairman, the Post Office Department, unlike every other department of the Federal Government, is a public utility conducting its business in every section of the country. It was never intended that the department should return a profit to the Treasury on its operations. It is the only department that is in constant, daily contact with the people of the United States. It is their service, and as such should be maintained in its present efficiency. It is being conducted to-day as economically as possible. The personnel of the department is called upon to produce a greater volume of work than ever in its history.

It has been geared up to its highest point of efficiency by successive surveys conducted by the present Postmaster General. The present administration has conducted 5 of these surveys—the first on December 11, 1929, which included the 18 largest post offices of the country; the second on June 5, 1930, which included all offices other than the 18 largest, having receipts of \$500,000 or over; the third on August 28, 1930, which took in the next 37 largest offices not heretofore surveyed; the fourth on November 5, 1931, taking in all offices having receipts in excess of \$250,000; the fifth, and last, on January 11, 1932, which included all the remaining first-class offices having receipts below \$250,000.

As a result of these surveys the personnel was reduced and the service curtailed and many economies were effected. While the department has not the accurate figures at this time, the savings will approximate six or seven million dollars.

To accomplish this saving, deliveries have been reduced in both residential and business sections to the very lowest number consistent with good service. It has been estimated by representatives of the employees that these surveys eliminated 4,000 work opportunities for the men.

In cities like New York, Philadelphia, and Chicago, the carrier force alone was reduced by upwards of 300 in each of these cities.

In addition to these savings based on the results of the surveys, the department has, since October, 1925, and up to the present time, consolidated 4,219 rural routes. These consolidations resulted in a saving of approximately \$1,000 for each route consolidated, or a total saving of upwards of \$400,000. Consolidations are being effected by the department wherever a vacancy occurs, and this policy will continue until the rural service has assumed the greatest volume of mail possible for it to handle.

Further reductions in expenditures based upon receipts at the post offices have been effected as of July 1, 1931, and will be further reduced on July 1, 1932, based upon receipts for the last calendar year. On July 1, 1931, the following reductions were made for the calendar year 1930:

4,681 postmasters' salaries reduced.....	\$575,900
232 assistant postmasters' salaries reduced.....	24,200
323 supervisors' salaries reduced.....	40,700
125 clerks in 94 offices reduced from second to third class.....	50,622

Total reduction for all postmasters, supervisors, and clerks based on receipts for the calendar year 1930..... 691,422

Taking into consideration all of the economies effected as a result of the surveys, the consolidation of rural routes, and the reduction in salaries based upon receipts, the Budget set out to prepare the estimate for the appropriation necessary for the fiscal year 1933.

The Budget estimate as prepared for the Post Office Department amounted to \$813,559,487. This is \$35,284,570 under the estimate prepared by the Budget for the last fiscal year.

The Post Office Department's estimate as presented to the committee totaled \$813,724,487, which is \$165,000 more than the Budget estimate.

The House Committee on Appropriations reduced this estimate to \$805,586,575, which is a further reduction of \$8,000,000 under the Post Office estimate, and the House further reduced the amount to \$805,466,175.

The Senate now proposes to reduce the total appropriation as reported to that body from the House by 10 per cent. This proposed Senate cut will amount to \$80,546,617.50, which leaves approximately \$725,000,000 to operate the department for the next fiscal year.

All told, this amount will be nearly \$90,000,000 less than the original Budget estimate, and it will amount to nearly 50 per cent of the total economies set out by our Economy Committee.

It is my understanding that the total amount of the reduction in Federal expenditures included in the program of the House Economy Committee must be \$200,000,000. If the House Appropriations Committee continues to reduce all appropriation bills to the limit, and if the Senate persists in its horizontal 10 per cent cut, the total savings from such a policy will amount on paper to \$451,100,000.

These reductions effected by the House and the Senate, which amount to approximately \$451,100,000, are \$250,000,000 in excess of the program outlined by our Economy Committee.

When we stop to consider all the savings and economies so far effected in the Post Office Department, economies which have resulted from surveys in the cities, consolidations in rural routes, and reductions due to falling receipts, together with the reduction in the estimates made by the Budget and the Post Office Department, and then the further reductions in the appropriation made by the House committee and the House itself, we can readily realize the demoralizing effect upon the service which must result from the arbitrary and unscientific reduction totaling \$80,000,000 ordered by the other branch of this legislative department; and when we further consider the fact that we have already raised the cost of the service to the patrons of the department by over \$200,000,000, it is grossly unfair to destroy or impair that service under these conditions.

We increased first-class postage in the revenue bill from 2 to 3 cents, and, according to the department's figures, that will increase the revenues \$165,500,000.

The Postmaster General increased the rates on foreign mail, which will add \$4,000,000 more to the revenues.

The Interstate Commerce Commission increased parcel-post rates and increased the size and weights of packages, which will add \$12,500,000 to the revenues.

Our Committee on the Post Office and Post Roads reported favorably, and the House passed, 10 bills increasing rates of postage, which will increase the revenues of the department by \$20,000,000.

Is it fair, is it good business, to increase the cost of the service to the people by over \$200,000,000 and at the same time reduce the appropriation so low as to impair, demoralize, and in some instances utterly destroy this splendid service?

If we persist in this program, it will be necessary for the department to eliminate rural free delivery in many offices and to give triweekly service in others. The collection and distribution of mail in the villages of the country will be wiped out. There will be no village delivery service in the United States. Deliveries in the city residential districts will be reduced to one, and collections will be likewise reduced, while in the business sections where they are now receiving 3 and 4 deliveries a day, they will be reduced to 1 and 2 deliveries. Eight thousand rural carriers will be dismissed. Over 2,000 railway mail clerks will be discharged. More than 20,000 clerks and carriers in the City Delivery Service will join the bread lines or enlist in the army of the unemployed, and hundreds of village carriers, supervisors, and other employees of the department will be without jobs.

I believe it is the duty of this House to put an immediate stop to this hit and miss, destructive policy of so-called economy until such time as the Senate and the House and the administration are able to get together on a definite plan that will result in proper economies without destroying the service.

It seems to me that the administration, together with its leaders in the House and Senate, could work out a better policy than the blind, destructive program which we have before us now, and it occurs to me that the Democratic leaders of the House and Senate should get together and reach some agreement with regard to the numerous, economy plans and reductions proposed in both Houses. In other words, I can not vote to consider the economy bill until some proper plan is worked out by the House and Senate and the administration, which will not result in serious injury to the service, and I am therefore opposed to any further action on the part of the Appropriations Committee of our House or the Economy Committee of our House in reducing expenditures until we have some idea of what is going to happen to the appropriation bills in the Senate. If they are going to continue to reduce all appropriations by 10 per cent, and if such cuts will result in serious consequences, I believe it is time for us to stop. Let some one else take the responsibility. I am willing to cooperate, but I am not willing to destroy. [Applause.]

Estimate submitted by Mr. Trotter, Post Office Department, April 26, 1932 (these figures are subject to revision from time to time)

Number of postmasters to be reduced July 1, 1932:	
5,259 to be reduced (each)-----	\$100
1,243 to be reduced (each)-----	200
230 to be reduced (each)-----	300
70 to be reduced (each)-----	400
20 to be reduced (each)-----	500
5 to be reduced (each)-----	600
1 to be reduced-----	700
1 to be reduced-----	800
23 to be reduced (each)-----	1,000
6,852	909,000

Number of supervisors, including assistant postmasters at first-class offices, to be reduced, 737----- 106,400
In addition, 380 assistant postmasters at second-class offices will be reduced about \$100 each.

Mr. SNELL. Mr. Chairman, I would like to ask a question of the gentleman from Alabama. Do I understand we are going to recess from 6 to 7.30 o'clock?

Mr. McDUFFIE. I hoped we could finish general debate before we recessed, which will take until 6.10.

Mr. SNELL. And then recess until 7.30?

Mr. McDUFFIE. Or 7.40, which will give a recess of an hour and a half.

Mr. WILLIAMSON. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. WILLIAM E. HULL].

Mr. WILLIAM E. HULL. Mr. Chairman, H. R. 11597 is a bill to effect economies in the National Government. In portions of this bill you will find very obnoxious items, and I call particularly the attention of the House to the schedule of temporary reductions, section 102 (a), reading as follows:

During the fiscal year ending June 30, 1933, the compensation for each civilian and noncivilian office, position, employment, or enlistment in any branch or service of the United States Government or the government of the District of Columbia is hereby reduced as follows: Compensation at an annual rate of \$1,000

or less shall be exempt from reduction; and compensation at an annual rate in excess of \$1,000 shall be reduced by 11 per cent of the amount thereof in excess of \$1,000.

Then, I again call your attention to page 7, section 112, which reads as follows:

The appropriations or portions of appropriations unexpended by reason of the operation of this title shall not be used for any other purposes, but shall be impounded and returned to the Treasury.

It is not hard for the House to visualize those two sections.

The Senate, upon a motion of Senator McKELLAR, has instructed its Appropriations Committee to reduce the appropriations of the Postal Service for the fiscal year 1933 to an amount 10 per cent below the amount approved by the House of Representatives.

The amount carried for the Postal Service for the Treasury-Post Office bill, as adopted by the House of Representatives, was \$805,466,175, and the required reduction is, therefore, \$80,546,617.50.

This will bring the postal appropriations for the next year to approximately \$725,000,000, which is \$116,000,000 less than the amount appropriated for the current year.

As the laws now stand, the department has no authority to reduce the salaries or the allowances of its employees, so that this arbitrary reduction in the funds available for the maintenance of the Postal Service must be met in large part, under the plan being followed in the Senate, by the discharge of postal workers.

Of the sum of \$805,000,000 carried in the House bill for postal purposes, about \$235,000,000 is for transportation of the mails, for the rental of quarters, for the purchase and distribution of supplies, and other similar miscellaneous items. Five hundred and seventy million dollars is for salaries and wages.

The department's expenditures for transportation and for miscellaneous purposes are in large part controlled by long-term contracts, so that the amount which can be saved in these items is not large, unless the Government is to adopt a policy of repudiating its lawful contract obligations. It follows, then, that almost the whole of the \$80,000,000 which the Senate is seeking to save must be taken from the amount of \$570,000,000 carried in the House bill for salaries and wages.

It is easy to calculate what this would mean. The average salary in the Postal Service is in the neighborhood of \$2,000. If \$80,000,000 is to be saved by the dismissal of postal employees, it is a simple matter of arithmetic to determine that the number to be dismissed would be in the neighborhood of 40,000.

The effect on the Postal Service would be disastrous. There are now about 42,000 rural carriers, about 50,000 city delivery carriers, about 22,000 railway postal clerks, and about 70,000 post-office clerks. These four groups make up the backbone of the Postal Service. They aggregate 184,000 people. A reduction of this number by from 30,000 to 40,000 would obviously cut deeply into the service which the post office now renders to the public.

About 8,000 rural routes will have to be consolidated. About 9,000 additional rural routes will have to be placed on a triweekly basis, so that the patrons will receive their mail only on Mondays, Wednesdays, and Fridays, instead of every day as at the present time.

This will in a large measure not only affect the farmers, but seriously discommode them and destroy every opportunity of receiving the daily markets, either through the newspapers or bulletins that they are now receiving. Is there any farmer in the United States who would sanction this cut? I say no!

City deliveries will be reduced from two a day to one a day in residential districts; and from four or more a day to two a day in business districts.

Is there any business man in the United States who would commonly consent to taking away these deliveries which mean so much to the success of his business? I say, no!

Many railway postal clerks will have to be taken off. Much of the mail moving from Chicago to New York, for

instance, will have to move in storage cars and await distribution until it arrives at destination, thus slowing up delivery by 24 hours or more.

It is no exaggeration to say that if the Senate carries out its program and the House concurs in the action, it will mean the complete demoralization of the Postal Service throughout the entire country.

And, then again, we propose in this bill to cut the postal clerks and carriers and railway mail clerks' salaries 11 per cent, and you have made a provision in this bill, according to section 112, whereby this extra money that you are taking away by the reduction of 11 per cent shall be impounded and returned to the Treasury.

Why, gentlemen, is it possible that you men here in Congress are willing to go the extreme and make a cut of 11 per cent against the operators of this great service? I want you to think, and go home and think, before you vote for such an obnoxious bill to destroy the greatest business operation we have in America, the United States mail.

Why do not we pull ourselves together like men and do away with this hysteria that is going through Congress to destroy all public operations because of the clamor to reduce the poor mail carrier 11 per cent? Why, my friends, I was in the Postal Service, first as assistant postmaster, then as a railway mail clerk, and then as postmaster of Peoria for eight years. I was not only that, but I was made president of the First-class Postmasters' Association of the United States.

And when I look back and see those young men that I appointed when they were 23 years old—good husky young fellows—who have spent their entire life trudging through the sleet and storm and sunshine and deliver the daily mail to you and to the business men of this country, to-day with their feet sore from continual walking and their backs humped from carrying the heavy sacks of mail, at the age of 50, only drawing a small salary of \$2,080, which has only been increased \$400 from the time they started, I can not believe they have been overpaid. And yet you men here are willing to vote to take away 11 per cent of that salary. Is it possible? I do not see how you have the heart to draw such a conclusion from the hysteria that now prevails and destroy the morale of these men, take away from them and their families the small stipend that keeps them alive in old age. Oh, no! Certainly the time has not come when you are willing to do this thing. Gentlemen, sheathe your pruning knife and lay it aside and forget it. This can not do you any good at home. Not only that, but consider the heartlessness of any man who is willing to take away from his fellow man a livelihood that he so rightly deserves from the long and studious and competent work that he has done for the Government of the United States.

Let us go back to the President's plan under this great emergency under which we are working.

Is it necessary for you Democrats to vote for something that will not do the real thing you are voting for just because you want to make it a political issue?

Is it possible that you Republicans are so afraid that you are not willing to vote for a measure that will not only save the Postal Service but will in a measure help solve the unemployment problem by putting on an additional 20,000 men to work with the same amount of expenditure? I can not yet see why any of us, either Republicans or Democrats, are willing to try to make a political issue of this. It is not fair to the mail carrier, to the clerk, and the Railway Mail Service. They are your servants, and have been for these many years, and I would say that it would be better to adopt the stagger plan even though it does make them lay off for 30 days and deprives them of some little overtime, but they have the time to use as a vacation, and that is not at all bad anyway, because every man in America needs a vacation.

By following this plan in the Postal Service it will save \$21,000,000 after allowing for the cost of hiring substitutes to take the place of the regular clerks and carriers while they are on furlough. It would not only accomplish this

saving, but it would mean part-time work for some 20,000 additional people.

Now, take the two propositions together. Is it good for the country to lay off rural carriers, city carriers, railway mail clerks and put them on charity of the United States Government, as that is what you will do, because there is a very small per cent of these men who have saved anything, and are living now on their salaries, or is it better to keep them to work for 11 months in the year and put 20,000 more men to work a portion of the time and then have a saving of \$21,000,000 in the service?

My friends, I can not yet conceive that there is any man within the hearing of my voice who will vote for this bill if it includes the Postal Service of the United States. [Applause.]

Mr. McDUFFIE. Mr. Chairman, I move that the committee now rise.

The motion was agreed to.

Accordingly the committee rose; and, the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 11267, the legislative appropriation bill, had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—Mr. CHAVEZ (at the request of Mr. THOMASON), for to-day, on account of illness.

Mr. KLEBERG, indefinitely, on account of illness in his family.

Mr. BOYLAN, on account of illness.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 332. An act for the relief of Samson Davis; to the Committee on Military Affairs.

S. 570. An act to exempt from taxation certain property used by the National Society of the Colonial Dames of America, in the District of Columbia; to the Committee on the District of Columbia.

S. 1562. An act for the relief of William S. Cook; to the Committee on Military Affairs.

S. 2409. An act to amend Title II of the Federal farm loan act in regard to Federal intermediate-credit banks, and for other purposes; to the Committee on Banking and Currency.

S. 2654. An act to allow credit in connection with homestead entries to widows of persons who served in certain Indian wars; to the Committee on the Public Lands.

S. 3472. An act to amend the act of Congress approved June 26, 1912, entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1913, and for other purposes"; to the Committee on the District of Columbia.

S. 3477. An act for the relief of the Playa de Flor Land & Improvement Co.; to the Committee on Claims.

S. 3577. An act for the relief of Rolando B. Moffett; to the Committee on Military Affairs.

S. 3852. An act to amend section 2288 of the Revised Statutes, as amended, with respect to the taking for highway purposes of lands entered upon under the homestead or preemption laws; to the Committee on the Public Lands.

S. 3864. An act authorizing expenditures from Colorado River tribal funds for reimbursable loans; to the Committee on Indian Affairs.

S. 3911. An act to authorize the Commissioners of the District of Columbia to close Quintana Place, between Seventh Street and Seventh Place NW.; to the Committee on the District of Columbia.

S. 3929. An act to authorize the Commissioners of the District of Columbia to close certain alleys and to set aside

land owned by the District of Columbia for alley purposes; to the Committee on the District of Columbia.

S. 4029. An act to restore homestead rights in certain cases; to the Committee on the Public Lands.

S. 4106. An act to provide for the closing of certain streets and alleys in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S. 4165. An act to remove existing discriminations incident to certain land grants and to subject them to the same conditions that govern other land grants of their class; to the Committee on Interstate and Foreign Commerce.

S. 4190. An act for the relief of Thomas E. Reed; to the Committee on Military Affairs.

S. 4193. An act to authorize the issuance of bonds by the St. Thomas Harbor Board, Virgin Islands, for the acquisition or construction of a graving or dry dock; to the Committee on Insular Affairs.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 231. An act to grant certain lands to the State of Colorado for the benefit of the Colorado School of Mines;

H. R. 1231. An act for the relief of Grina Bros.;

H. R. 1768. An act for the relief of Alvina Hollis;

H. R. 1770. An act for the relief of Senelma Wirkkula, also known as Selma Wirkkula; Alice Marie Wirkkula; and Bernice Elaine Wirkkula;

H. R. 3580. An act for the relief of Clara E. Wight;

H. R. 4724. An act to confer to certain persons who served in the Quartermaster Corps or under the jurisdiction of the Quartermaster General during the war with Spain, the Philippine insurrection, or the China relief expedition, the benefits of hospitalization and the privileges of the soldiers' homes;

H. R. 4752. An act for the establishment of the Waterton-Glacier International Peace Park.

H. R. 5484. An act extending the provisions of the act entitled "An act to provide for the sale of desert lands in certain States and Territories," approved March 3, 1877 (19 Stat. 377), and acts amendatory thereof, to ceded lands of the Fort Hall Indian Reservation;

H. R. 5603. An act to authorize the conveyance by the United States to the State of Minnesota of lot 4, section 18, township 131 north, range 29 west, in the county of Morrison, Minn.;

H. R. 8084. An act for the protection of the northern Pacific halibut fishery;

H. R. 8914. An act to accept the grant by the State of Montana of concurrent police jurisdiction over the rights of way of the Blackfeet Highway and over the rights of way of its connections with the Glacier National Park road system on the Blackfeet Indian Reservation, in the State of Montana;

H. R. 9598. An act to authorize expenditures for the enforcement of the contract-labor provisions of the immigration law; and

H. R. 10495. An act amending an act of Congress approved February 28, 1919 (40 Stat. L. 1206), granting the city of San Diego certain lands in the Cleveland National Forest and the Capitan Grande Indian Reservation for dam and reservoir purposes for the conservation of water, and for other purposes, so as to include additional lands.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3095. An act for the relief of J. J. Bradshaw and Addie C. Bradshaw.

RELATION OF A TOBACCO TAX TO A BALANCED BUDGET

Mr. RAGON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a radio address delivered by my colleague the gentleman from Kentucky [Mr. VINSON] over station WJSV.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. RAGON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by my colleague the gentleman from Kentucky [Mr. VINSON] over Station WJSV.

ADDRESS OF HON. FRED M. VINSON, OF KENTUCKY, APRIL 25, 1932

Ladies and gentlemen, the Ways and Means Committee of the House, of which I am a member, was called upon to initiate legislation which would bring in new taxes to balance the 1933 Budget. The deficit for 1931 is \$903,000,000; for 1932 it is two and three-quarter billions of dollars; the prospective deficit for 1933 is one and three-quarter billions. Passing payment of the debt requirement, there is one and one-quarter billions in new taxes to be raised. When it is considered that the total receipts, under existing law, for 1933, was estimated at \$2,375,000,000, the magnitude of the task is easily observed. We were called upon to raise in this bill an amount equal to 50 per cent of all taxes that could be collected under existing laws. Such a task never confronted any legislative body in peace times.

As an original proposition, there was difference of opinion in the committee and in Congress with reference to the Treasury's position that it was imperative to balance the Budget in a single year. With full knowledge of the deficit for 1931 and 1932, the administration took no steps toward balancing the Budget until last December, and then insisted that the ends must meet July 1, 1933. Some of us thought that it would be more businesslike, and certainly less burdensome to an already heavily laden tax-paying public, to bring the receipts and expenditures together over a 2-year spread. In this manner we could have fuller benefits from reductions in appropriations, elimination of useless offices, consolidation of kindred functioning, reductions in expenditures, and economies in administration. Further, the full benefits of the new taxes can not be secured until the second fiscal year, in view of the fact that only the collections in March and June, 1933, of taxes for the calendar year 1932 will be collected in the next fiscal year.

However, so insistent was the Treasury upon the 1-year program, which position it sold to the country, that those of us who had originally entertained the idea of the 2-year spread, made concession of our position. The House balanced the Budget for the fiscal year 1933.

After defeat of the sales tax, a subcommittee composed of Messrs. RAGON, CANFIELD, and myself (Democrats), and Messrs. HAWLEY and TREADWAY (Republicans) formulated the substitute program which the full committee and the House adopted. The tax bill H. R. 10236, with its new taxes, as it passed the House, may be broken down, as follows:

Individual income tax.....	\$217,000,000
Corporation income tax.....	43,000,000
Administrative changes (revision of existing laws)...	126,000,000
Estate and gift tax.....	30,000,000
Excise taxes.....	488,000,000
Increased postage rates.....	165,000,000
Reduced expenditures.....	200,000,000
Total.....	1,279,000,000

It was the recommendation of the subcommittee, adopted by the full committee and the House, that the Budget for 1933 should be an economic Budget; that it should be cut by reducing expenditures at least \$200,000,000. In our bill, this mandate was given to the administration. Mr. Mills, Secretary of the Treasury, before our committee, was loath to concede that such reduction would be made. He insisted that \$118,000,000 was the figure to be used. I maintained that there could be a reduction in expenditures of at least \$243,000,000 without any serious inconvenience to the functioning of the Government. Finally, the two hundred million dollar figure was agreed upon. Now, before the Senate committee, the distinguished Secretary of the Treasury concedes that at least \$208,000,000 may be saved in expenditures.

Strange as it may seem, the largest and most dependable tax source for Uncle Sam is the tax levied upon a product of the soil—tobacco, which is the only farm commodity upon which the Federal Government lays its heavy hand of taxation. From the earliest days of our Government it has been a revenue producer, in increased amounts, until in 1916 its tax yield was \$85,000,000. That year the tax on cigarettes was \$3 per 10,000. In 1918, this tax was increased 900 per cent—\$3 per 1,000, or \$1 per pound on cigarette tobacco. The tax on smoking and chewing tobacco is 18 cents per pound.

It was proposed by the Secretary of the Treasury to increase the tobacco tax one-sixth of its present rate, that is, 16½ cents per pound on cigarette tobacco, and 3 cents per pound on chewing and smoking tobacco. Every Treasury recommendation before the House and Senate carries that increase. The sales of Burley tobacco in Kentucky for the season of 1930-31 averaged 15 cents per pound; last year's sales averaged 8½ cents per pound. For the Burley that goes into cigarettes, the new tax of \$1.16½ per pound would be fourteen times the average for the crop. The increase alone would be twice the average for the crop. The dark tobacco of Kentucky averaged 3½ cents per pound. The new tax would be six times its average price.

The attention of the committee was called to the fact that under existing law, tobacco would pay, next fiscal year, approximately one-fifth of the total revenues from all sources. Its yield for that period will be \$434,000,000. Under the existing law, the tax on tobacco will exceed the yield of the income taxes, individual or

corporate, and actually approximates two-thirds of their combined total. It was the Sage of Monticello who said:

"The Government which steps out of the ranks of the ordinary articles of consumption to select and lay under disproportionate burdens a particular one, because it is a comfort, pleasing to the taste, or necessary to health, and will therefore be bought, is, in that particular, a tyranny."

The subcommittee, the full committee, and the House itself refused to consider this added tax upon tobacco, which refusal was based upon many grounds.

The Federal Government has a direct interest in the consumption of cigarettes. For every 50 packs of cigarettes sold, the Government collects \$3—8 cents per pack. It was shown without contradiction that the Federal Government receives four times in taxes what the manufacturers receive in profit. It is unquestioned that the government, for the 1931 crop, will receive almost three times in taxes what the grower received for his farm product.

We are convinced beyond doubt that the point of saturation in tobacco taxes has been reached, if not passed; that an added tax in any form would bring into action the law of diminishing return, which in everyday parlance simply means "killing the goose that lays the golden egg."

Thirteen States have taxes upon tobacco ranging from 2 cents to 5 cents a pack of 20 cigarettes. The effect of this added tax presents a very vivid picture in consumption. For illustration, the average consumption in the United States, including these 13 States, is 975 cigarettes per capita per annum. In these 13 States—tobacco-taxing States—this average shrinks to 431 cigarettes per capita per annum. The present panic has shown its effect in that, in the first eight months of the present fiscal year, there has been a decline of a billion cigarettes per month over the same period in the prior fiscal year, with the consequent loss to the Government of \$23,000,000 in taxes and a consequent decrease in the consumption of the tobacco growers' commodity of 23,000,000 pounds. Undoubtedly, decreased consumption means a decreased price for the farmer's product. Only when there is a demand for his product can a fair price be secured. With the export market practically nil, any increase in the tobacco not marketed has a direct effect in a lower price.

It was suggested that the Government and the manufacturer were partners in this transaction, with the Government receiving four times the profit of the manufacturer. If we consider the matter as a partnership, might I suggest that there is a third partner—a silent partner—of whom I have been thinking in this fight against tyranny in taxation. I have been thinking of the tobacco farmer—the silent partner—who secured for his 1931 crop \$156,000,000, as compared to the \$434,000,000 which the Federal Government will receive in taxes. No other farmer, and no other class, has ever been called upon to pay the price exacted of him by this Government. It is strange that this additional tax is the character of farm relief the administration would recommend for the 400,000 tobacco farmers in America, 115,000 of whom reside in my State of Kentucky.

Some say that the additional tobacco tax would not be reflected in the price the tobacco grower secured for his crop. I do not adhere to that philosophy. As long as human nature is human nature, the tobacco manufacturer will not pay this additional tax with his own money. He can collect it in a reduced price to the grower, or he can add it to his price to the consumer, or both. If the tax be collected by an added price to the consumer, undoubtedly there will be decreased consumption of tobacco.

The consumer of cigarettes now pays a Federal tax of 6 cents per pack. A man using one pack per day already pays a tax of \$21.60 a year to his Government. With the additional 1 cent per pack his tax would be \$25.50 per year. We submit that this tax is more than the income tax required of a married man with a wife and three children, under existing law, who has a net income of \$7,000.

Recently I saw a pack of 20 cigarettes to retail for 10 cents. Immediately I saw a Federal tax of 150 per cent—one and one-half times the total cost of the cigarettes ready for delivery to the consumer, including the price of the tobacco, its manufacturing cost, distributing costs, and all profits to the wholesaler, jobber, and retailer. In my mind, such a tax condition is the tyranny of which Mr. Jefferson spoke.

Hon. James C. Stone, chairman of the Federal Farm Board, in discussing the reduction of the tobacco tax before a congressional hearing, stated his belief that if the present taxes were cut in two that—

"The consumption would increase to such extent that the Government would get as much revenue from it as it does to-day, and at the same time give the producer a much greater demand for his product," and, in my judgment, a much better price for his product.

It is to be hoped that the Senate of the United States, now considering the tax bill, will not undertake to place an added burden upon the tobacco grower or the consuming public. When the sun shines through the dark economic clouds we hope that just consideration will be given the plea of the tobacco farmer for a material reduction of his tax burden. It will be a privilege to press the plea.

RIVER AND HARBOR IMPROVEMENTS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, there is a bill upon the calendar providing for the establishment of a new Government agency to be known as the "Public Works Administration." This agency is to have charge of certain governmental construction work, but not to include river and harbor and flood-control work. The bill is H. R. 11011, as reported by a majority of the Committee on Expenditures in the Executive Departments. Three members of the committee, the gentleman from South Dakota [Mr. WILLIAMSON], the gentleman from Utah [Mr. COLTON], and the gentleman from Pennsylvania [Mr. CAMPBELL], have filed minority report upon the bill.

It is not my purpose at this time to discuss the merits or demerits of the bill. I shall confine my remarks to certain statements in the minority report, pertaining to river and harbor work under the Corps of Engineers of the War Department. Many of these statements, in my judgment, are erroneous in fact and in the conclusions drawn, and constitute what I believe to be an unjust criticism of the personnel, and efficiency of one of our most important and useful Government agencies.

The minority report states:

We are the only civilized government on earth, of any consequence, that does not have a consolidated public-works administration that brings within its folds all public construction of importance.

A study of the administrative organization of foreign governments shows that this is a very erroneous conclusion. For a number of years I have been in touch with the system in Canada. The work of river and harbor improvements there is spread among three departments. The major improvement of the St. Lawrence River, below Montreal, is carried out by the Department of Marine and Fisheries. The construction of the new Welland Ship Canal is under the Department of Railroads and Canals. The Department of Public Works is charged with minor works of waterway improvement only.

In Great Britain public works are spread among many government agencies. Port improvements are carried out by local public corporations, deriving their revenues in large part from tonnage dues. Control of the general waterway development is in the "Board of Trade." Lighthouse construction is under the Trinity corporation, while the Department of Public Works has jurisdiction over public buildings, forest grounds, parks, and monuments.

In Germany river and port development is under various State agencies and commissions, and the same situation is common in other European countries.

A report by the late General Bixby shows that the organization for river and harbor works in France is almost an absolute parallel with our existing system.

The minority report criticizes our system of waterway improvement, because its administrative head, the Secretary of War, is a civilian, who is not presumed to be familiar with the work. The report says:

The Secretary of War is a civilian, but what does the average Secretary know about rivers and harbors work?

The bill advocated by these gentlemen also provides for a civilian to be placed at the head of the rivers and harbors work, who, in all probability, would know far less than a Secretary of War.

It is true that the Secretary of War is not supposed to possess the highly technical knowledge and training necessary for dealing with all the engineering problems of river and harbor works. But under our present system we have at the head of this work the Chief of Engineers and the Corps of Engineers, whose ability, training, and experience have no superiors. They are also as far removed from political influence as any class of citizens we have.

Under the bill advocated by these gentlemen, not the Secretary of War but another civilian is to be at the head of river and harbor improvements. He may or may not be superior to the Secretary of War. He is not required to be an engineer, and from the fact that he is to be at the head of all character and types of public works he can not possibly, from training or experience, have superior technical

knowledge upon all of them. He will be an administrative officer and nothing more.

Experience shows that the distinguished men who have filled the important post of Secretary of War have ably carried out their duties in the matter of river and harbor administration. To change the administration of these works from a high Cabinet officer to a bureau chief, with express authority in the bill to either ignore or override and set aside the findings and conclusions of the Corps of Engineers, would soon lead to a disgraceful political situation, far more reprehensible than the so-called "pork barrel" practices that prevailed before the present system was perfected.

The minority report constitutes a bitter criticism of our military and naval academies, and a reflection upon the proficiency of the graduates of these institutions. It states:

West Point and Annapolis are not engineering schools. They are military schools where some engineering is taught. Those desiring proficiency in construction engineering must look elsewhere for their training. Why, then, the superiority of the West Pointers? It simply does not exist.

The standing of West Point and Annapolis as institutions of learning is too well known to need a defender. Those who seek to make a jest of these institutions acknowledge the weakness of their cause. Other institutions may have courses in engineering equal to, or possibly greater than, that of West Point. But it will be borne in mind that West Point is only the foundation for the course of training of the engineers in charge of our river and harbor improvements.

The report further says:

The fact is that at no time has the real job of improving rivers and harbors been done by Army engineers. The men who are on the job year out and year in are civilian engineers. With few exceptions, the technicians are civilians. So are the engineers who prepare the plans and specifications and who do the work. Why should the superior be under the domination of a military clique by far their inferior in technical training and practical experience.

It is not uncommon for a district engineer to have several surveying parties engaged at the same time measuring the watershed of a river. He may also have several draftsmen engaged in drawing plans and making blue prints. Other engineers may be making plans for a bridge or designs for a lock and dam. It is physically impossible for the district engineer to do all these works himself. Such would also be the case in the event the work should be transferred to a new bureau, as recommended by these gentlemen.

Under the present system the officers of the Corps of Engineers in charge of the engineer division and districts are the responsible directing heads of the river and harbor construction under their charge. They supervise the activities of the engineers drawn from the civil service but are wholly responsible for their activities. It is not humanly possible for one man to possess the varied technique of all portions of construction work. Every engineer in charge of important work must employ draftsmen who can draw better than he, surveyors who are more skillful than he with their instruments, and computers especially skilled in such activities.

The minority report further states:

Rivers and harbors work has been an expensive school in which to train young Army engineers under the present arrangement. For a hundred years we have had the spectacle of the untrained and inexperienced supervising the highly trained and experienced that the former may get "practical" experience for something supposed to be useful to him in time of war. True, we have developed some excellent Army engineers at heavy public cost; but the supposed efficiency of the young engineers who are sent out on detail is a myth, and it is time this superiority-complex fetish is exploded.

The report further says:

During our entire history our rivers and harbors and flood-control program has suffered from lack of long-time planning and continuity of policy. Necessarily this must be so. The law does not permit a detail for more than four years. The average is about three years. This applies to the Corps of Engineers and its chief. Differences of opinion of succeeding chiefs have not been conducive to either efficiency, speed, or economy.

There is no provision of law limiting the detail of officers of the Corps of Engineers to four years. Long-time planning

and continuity of policy have been carried out in the administration of the river and harbor work. Shifting of officers from station to station has been found to be an essential element in securing such continuity and general policy. It produces a uniformity of practice impossible under a system in which a man is retained in a single local position for life. In such case an engineer's views would become localized, and he would lose the national viewpoint in course of time.

Although the engineers of the corps are shifted from one place to another every few years, they are still retained in the actual operation of river and harbor work and given a wider range of thought for more effective planning.

There can be no question as to the actual experience of the Corps of Engineers. A district engineer has in every instance had a course of study and actual experience of from 10 to 20 years or more. The late General Taylor had been in line of river and harbor work 42 years at the time of his retirement, and General Jadwin's experience was about the same. General Brown, the present efficient chief, has had a remarkable experience. How can it be reasonably claimed that these men are less efficient than the man who may be selected through political influences for the proposed position of public works administrator? Such contention simply falls by its own gravity.

The minority report further says:

After an expenditure of more than a billion and a half our inland-waterways system is of little value to the country at large.

Just where the gentlemen got their figures of a "billion and a half" on our inland waterways I am not advised. Evidently they did not obtain them from any official source.

Our total expenditures for all river and harbor works under the Army Engineers, for a period of about 110 years, and including costs of improvement and maintenances, up to June 30, 1930, was only \$1,210,683,644.12. Of this sum only \$415,381,911.94 had been expended on the Mississippi system. Additional to these figures the sum of \$99,524,912.41 had been expended for care and operation of canals and other works. I am advised that the expenditures on the Mississippi and its tributaries to the present time are \$419,304,129.

Of the expenditures made for improvement and maintenance for rivers and harbors, not including flood-control work, to June 30, 1930, totaling \$1,210,683,644.12, the expenditures upon our Atlantic, Pacific, and Gulf ports accounted for \$517,401,686.02, while \$181,306,210.74 of the sum total were expended upon the Great Lakes.

As to our inland waters being "of little value to the country at large," I will say that this is a conclusion which the facts do not warrant. These rivers and canals for many years provided the only means of inland transportation our country afforded.

From about 1880 up to the administration of Theodore Roosevelt the railroads succeeded in practically destroying all river transportation. Since then great advancement has been made in river improvement, and in so far as the rivers have been placed in condition for handling traffic they have performed a great service to the country.

The Mississippi, the Ohio, and the Monongahela are fair examples of the use that is being made of our rivers. These streams in 1929 carried a total of 65,000,000 tons of freight, with a valuation of more than \$1,000,000,000. If Congress has failed to provide the money for completing the improvement of more of our rivers, so that they can be performing a service to our country, it is not the fault of the engineers.

The course at West Point is four years. The portion of classroom time given to purely military subjects is small. Upon his completion of the course, the cadet's engineering status is the same as that of B. S. in the leading technical institutions. This is so recognized by the American Society of Civil Engineers.

After graduation at West Point the Army engineer is sent out as a student officer for two years with a river and harbor or flood control district. There he learns every task from lockman to dredge hand, from surveyor to chief of party. He then takes a postgraduate course for one year at

one of our leading technical institutions in order to be in touch with the best the country affords from every available source. He then takes a special river and harbor course for one year at the Engineering School at Fort Humphreys. There he gets the benefit of a course that is not available at any other institution in the United States.

After completing the course at Fort Humphreys the engineer is detailed to duty as assistant to a district engineer. Later he is in line for promotion to district and then division engineer; also, for membership on the Board of Engineers and as Chief of Engineers. If this long course of intensive and effective training is to be treated as a joke, then we had better tear down our institutions of learning and return to the stage of primitive man.

MESSAGE FROM THE PRESIDENT

Mr. McDUFFIE rose.

The SPEAKER. Is it the intention of the gentleman from Alabama to ask that the House take a recess until 7.30?

Mr. McDUFFIE. Yes, Mr. Speaker.

The SPEAKER. The Chair would like to lay before the House a message from the President before that is done.

VETO OF THE PENSION BILL

The SPEAKER laid before the House the following message from the president (H. Doc. 322):

To the House of Representatives:

I am returning without approval H. R. 9575, entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and so forth, and to certain soldiers and sailors of wars other than the Civil War and to widows of such soldiers and sailors."

The bill contains a total of 367 items establishing special pensions and increased allowances to persons who have not been able to comply with the general laws. The bill contains many meritorious cases and a just recognition of their equities which can not be reached under these laws. I regret exceedingly, however, that I must withhold approval of the bill because of the number of cases which I do not deem worthy of public bounty. Most of these undeserving cases have been previously rejected by the Pension Bureau as having no sound basis upon which to construe any obligation in equity for the granting of special benefits.

As I do not wish to reflect upon any individual, I cite some instances in the bill without mentioning names, the facts as to which have been furnished to me by the Government agencies. And I may state that these are only examples and do not include the whole of the list which I believe would be excluded if the matter were reconsidered by the Congress. Such instances comprise:

A proposed pension for a man who was court-martialed for drunkenness and conduct prejudicial to good order, sentenced to six months' confinement, and whose conduct during confinement was so bad that he was finally discharged without honor for the good of the service.

A proposed pension to a man who was discharged without honor because of chronic alcoholism.

A proposed pension to a widow whose claim was filed five years after the death of the veteran, and upon call having been made for evidence of legal widowhood, claimant abandoned her claim for a period of 25 years. A recent investigation indicates claimant was never the legal wife of the soldier.

A proposed pension to a man guilty of desertion and dishonorably discharged.

A proposed pension to a man shown to have been a deserter, to have been punished by confinement, and discharged without honor.

A proposed pension to a man for self-inflicted injuries incurred in attempted suicide.

A proposed pension to a man who was tried for desertion, convicted of absence without leave, and honorably discharged, having been found to have been mentally deficient, a condition that antedated his enlistment. There was no disability relating to service on which Federal pension should be granted.

A proposed pension to a would-be suicide, no disability relating to service on which Federal pension should be granted being indicated.

A proposed pension for a widow whose husband gave eight days' service, with no disability relating to the service.

A proposed pension to a man who still suffers from a wound in the throat self-inflicted with a razor, with no disability relating to the service.

A proposed pension for loss of a leg as the result of being struck by the fender of a street car while claimant was lying on the track in a completely intoxicated condition.

A proposed pension to a widow whose husband had only nine days' service in a State militia, for which reimbursement was made by the United States; no disability relating to service being found.

A proposed pension to a man who spent most of his service in the hospital and was discharged without honor because of diseases not contracted in line of duty; was shown to have been guilty of malingering by taking soap pills to aid him in appearing anemic, and was recorded to have remarked that he knew "how to play it and proposed doing it as long as he could." His physical condition was not the result of service.

A proposed pension to a man discharged without honor because of diseases not contracted in the service in line of duty, his condition not being one upon which Federal benefits should be based.

I could add other instances, but it seems to me that even this number which appear neither to have law nor equity to justify them, warrants a revision of the bill, and that a larger dependence should be placed upon reports which are easily obtainable from the pension service.

HERBERT HOOVER.

THE WHITE HOUSE, April 27, 1932.

The SPEAKER. The message will be spread upon the Journal and printed as a public document.

Mr. CRISP. Mr. Speaker, the chairman of the committee is away, and at his request I ask unanimous consent that the message go over until next Tuesday.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

RECESS

Mr. McDUFFIE. Mr. Speaker, I move that the House stand in recess until 7.30 o'clock to-night.

Mr. LA GUARDIA. Mr. Speaker, I offer as an amendment that the House adjourn until 12 o'clock to-morrow. We are all tired now and will accomplish no useful purpose by coming back here to-night.

The SPEAKER. A motion to adjourn is of higher privilege.

The question is on the motion of the gentleman from New York [Mr. LA GUARDIA].

The question was taken; and on a division (demanded by Mr. PARKS) there were—ayes 31, noes 60.

So the House refused to adjourn.

The SPEAKER. The question is on the motion of the gentleman from Alabama [Mr. McDUFFIE].

The motion was agreed to; accordingly (at 5 o'clock and 59 minutes p. m.), the House stood in recess until 7.30 o'clock p. m.

EVENING SESSION

The recess having expired, at 7.30 o'clock p. m. the House was called to order by the Speaker.

Mr. LA GUARDIA. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. STAFFORD. Does the gentleman wish to keep the House in session later than we planned on?

Mr. LA GUARDIA. We are going to have another roll call later on.

The SPEAKER. The gentleman from New York makes the point that there is no quorum present. Evidently there is no quorum present.

Mr. RAINEY. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed, the Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 57]

Abernethy	Douglass, Mass.	Johnson, S. Dak.	Sanders, N. Y.
Adkins	Doutch	Kading	Seger
Andresen	Dowell	Kemp	Seiberling
Arentz	Drane	Kendall	Sinclair
Bacon	Erk	Kieberg	Smith, Va.
Baldrige	Estep	Kurtz	Smith, W. Va.
Beck	Evans, Mont.	Lambeth	Somers, N. Y.
Beedy	Finley	Larrabee	Stalker
Bloom	Fish	Larsen	Stevenson
Bollesau	Fishburne	Lea	Stokes
Bolton	Flannagan	Leibach	Strong, Pa.
Boylan	Freeman	Linthicum	Sullivan, Pa.
Briggs	French	Ludlow	Summers, Tex.
Brumm	Gilbert	McFadden	Sutphin
Buckbee	Gillen	McMillan	Swick
Burtness	Golder	McReynolds	Taber
Busby	Goldsborough	McSwain	Thatcher
Campbell, Pa.	Goss	Magrady	Treadway
Canfield	Griffin	Manlove	Tucker
Celler	Griswold	Martin, Oreg.	Wason
Chapman	Hall, Miss.	Millard	Watson
Chase	Hancock, N. Y.	Mitchell	Whitley
Chavez	Harlan	Moore, Ohio	Wigglesworth
Chindblom	Haugen	Murphy	Williams, Tex.
Cochran, Pa.	Hogg, Ind.	Oliver, Ala.	Wolfenden
Collier	Hope	Owen	Wood, Ga.
Coyle	Hornor	Patman	Wyant
Crowe	Houston	Pettengill	Yates
Davenport	Hull, Morton D.	Pou	Yon
De Priest	Igoe	Pratt, Mrs.	
Dominick	Jeffers	Purnell	
Doughton	Johnson, Ill.	Ransley	

The SPEAKER. Three hundred and six Members present—a quorum.

Mr. RAINEY. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

Mr. McDUFFIE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 11267, the legislative appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

Mr. WOOD. Mr. Chairman, I yield one minute to the gentleman from Michigan [Mr. CLANCY].

Mr. CLANCY. Mr. Chairman, I ask unanimous consent for leave to revise and extend my remarks in the Record, and insert a letter from the War Department.

The CHAIRMAN. Without objection, it is so ordered.

Mr. CLANCY. Mr. Chairman, one of the most sensational features of the economy bill, if not the most, was the joker compelling the sale of priceless property of the United States Government. Sale was ordered in New York Harbor of 4 piers of the value of over \$50,000,000, of 2 in Boston, of 3 piers and wharfage at San Francisco, of 1 at Manila, and of 1 at Honolulu.

These piers which should be the property of the Government for many years to come, and which should be leased rather than sold, would be sacrificed on the market at panic prices if this joker worked.

The insertion of this joker was discovered by me, and I was the first to inform the chairman of the House Economy Committee, who was thunderstruck when he realized the meaning of the few words on pages 19 and 20 in section 308 of the so-called economy bill, H. R. 11597.

The fateful words were—

The Secretary of War shall dispose of as much of the property of the United States (other than vessels used in connection with such service), the Army Transport Service—

And so forth.

I was also the first to inform the War Department of the joker, and the department was astounded.

The Assistant Secretary of War, Colonel Payne, said:

Al Capone in his most daring schemes never planned as bold a feat as this.

My committee, the Merchant Marine, Radio, and Fisheries Committee, discussed for two years the disposition of the Hoboken piers and wharfage opposite New York City without arriving at any action. The Hoboken piers, seized from German shipping interests during the World War, are valued at about \$7,000,000, yet here in this joker the Brooklyn piers and wharfage, valued at over \$50,000,000, were ordered sold in veiled and hidden language without hearings being held, without even the committee knowing that the language of the bill ordered them to be sold, and certainly without the knowledge of the Members of the House.

Honest and honorable language would have named the Brooklyn piers and wharfage, the two Boston piers, the three San Francisco piers, and the piers and wharfage at the first line of defense in Honolulu and Manila.

Anybody who knows anything about harbor development knows that water frontage in cities which are going to last for hundreds of years is absolutely invaluable. My own city of Detroit knows that; so does New Orleans, New York City, Boston, San Francisco, and so do the great European, Asiatic, and Latin American maritime cities.

Yet here in a joker of a few words are these marvelous piers and wharfage thrown to the wolves—ordered sold at a time when they can bring in the open market probably only 5 or 10 per cent of their real value.

Now, what did the Economy Committee do this morning when informed of my protests? Members were furious at the trick played upon them and ordered language written to kill the joker and to reverse the action.

Instead of mandatorily ordering the Secretary of War to sell the piers and wharfage, they mandatorily ordered him not to sell them.

Thus were the interests which have been trying for the past few years to get these piers and wharfage foiled.

I now give the letter sent to me to-day at my request of yesterday from Assistant Secretary of War Payne.

I particularly call attention to the last two paragraphs, emphasizing the iniquity of the joker which I discovered and which ordered the sale of the piers and wharfage at unfair prices.

WAR DEPARTMENT,
Washington, April 27, 1932.

HON. ROBERT H. CLANCY,
House of Representatives.

DEAR MR. CLANCY: Replying to your inquiry regarding House bill 11597, your attention is invited to section 308, which directs the Secretary of War to discontinue the Army Transport Service and dispose of the property used in connection with such service.

The discontinuance of the Army Transport Service would be a serious blow to the efficiency and morale of the Army, and would materially increase the cost of transportation for the Army.

The Army Transport Service is an integral part of the Military Establishment. It is the Army's overseas field train prepared for service at any place to follow the troops just as the regimental field train follows the Infantry regiment. It is essential that it be maintained under Army control just as all other supply units, communications, and other branches of the S O S. No army in all history has failed to have at its command adequate supply systems for its outposts. The existence of this service has saved the Government a total of over \$40,000,000 since 1903. The incident voyage of the transport *Republic* will save the Government over \$400,000 above what the same service of this one voyage would cost if done by commercial lines at the lowest rates now obtainable.

The clause directing disposition of the property used in connection with the Army Transport Service would involve the sale of valuable piers just at a time when values are at the lowest level, resulting in an enormous financial loss to the Government.

In my opinion, the impelling impulse back of this effort is not directed primarily at destruction of the Army Transport Service, but is aimed by virtue of such destruction at the possession of the War Department shore establishments, representing at New York alone a valuation of \$50,000,000, which they hope to obtain for a small fraction of their real value.

Sincerely yours,

F. H. PAYNE,
Acting Secretary of War.

I also give a letter to me, dated to-day, from Hon. S. S. Sandberg, commissioner of the United States Shipping Board.

UNITED STATES SHIPPING BOARD,
Washington, April 26, 1932.

Hon. ROBERT H. CLANCY,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: With further reference to our telephone conversation of this afternoon regarding additional information and valuation of various piers owned by the Government. The piers listed below were not appraised when turned over to the United States Shipping Board and have not been appraised since, except Hoboken.

Boston Army base: Under date of May 2, 1921, the Secretary of War granted to the United States Shipping Board permit for the use and occupancy of the Boston Army base under certain terms and conditions.

Hoboken terminal: The Shipping Board is presently in possession of certain property consisting of piers and terminal facilities at Hoboken. The property was acquired by the United States from the North German Lloyd and Hamburg-American Steamship Cos. and subsequently transferred to the United States Shipping Board in fee simple by four Executive orders, the last one dated November 2, 1921.

This pier property, together with certain other buildings on the demised premises, was appraised on June 30, 1924, at \$7,098,205.

Charleston Army base: On November 3, 1923, by Executive order of President Coolidge, a portion of the Charleston Army base was transferred from the War Department to the United States Shipping Board under certain terms and conditions.

Philadelphia Army base: Under date of April 13, 1921, the Secretary of War granted to the United States Shipping Board permit for the use and occupancy of the Philadelphia Army supply base, under certain terms and conditions.

Norfolk Army base: By Executive order of President Coolidge, dated June 27, 1924, a portion of the Norfolk Army base was transferred from control of the War Department to control of the United States Shipping Board.

NOTE.—Full particulars regarding the acquisition of Hoboken property may be found in the shipping act, pages 96-105.

Full particulars regarding the acquisition of Charleston Army base may be found in the shipping act, pages 105-107.

Full particulars regarding the acquisition of Boston Army base may be found in the shipping act, pages 107-110.

Copy of the shipping act is inclosed for your convenience.

The purpose of turning the bases over to the United States Shipping Board was to aid American-flag lines in the development of an American merchant marine.

The properties listed above are the finest piers and facilities in those particular ports and are a very valuable asset to the United States Government in times of national emergencies.

If you desire further information do not hesitate to call upon me.

Yours very truly,

S. S. SANDBERG, Commissioner.

Mr. RAMSEYER. Mr. Chairman, we are in the midst of a crisis such as this country has never faced before in war time or in peace time. In a way, we are still a new country. We have blundered along, made mistakes, but because of our location, the wide expanse of our territory, we have always gotten through without bad consequences. We have not learned how to meet crises with dispatch. Other countries have learned that. It took England 48 hours to get off the gold standard. If we should face a crisis like that, making it necessary for us to get off the gold standard quickly, in order to save our very existence, under our way of doing business we would talk and delay and procrastinate here in Congress until the ship of state was sunk. We were 18 months considering a tariff bill. Canada, in May, 1930, considered a tariff bill with nearly as many changes in rates as we had. The bill was introduced one day and the Minister of the Exchequer announced that that would go into effect the next day, and it did go into effect the next day.

I am as liberal on rules as anyone here, but I say to you that the dictatorships that have been set up in Europe since the war have been set up because the parliamentary bodies in those countries had neither program nor leadership to come to an agreement to act expeditiously to meet the peculiar situations that confronted them. I am not in favor of amending our form of government, and I would not go to the parliamentary systems of Europe, where, when leadership fails to command a majority, it resigns; but this Congress has to learn to discipline itself, and when we are confronted with a crisis to lay aside our ideas about liberality of amendment and debate, in which we can indulge in normal times. There is no question in my mind—and I am not saying this in the way of criticism or censure because of the attitude of anyone on the revenue bill—that our failure to

act with dispatch and pass a revenue bill in order to balance the Budget has had a disastrous effect upon business. Business to-day does not know what to expect.

If we could have passed a revenue bill within a few days or a few weeks at the outside, even though it had inequitable provisions in it, business could and would have adjusted itself to the new situation and have gone on, but here we have had a revenue bill before the Congress for three months, the end is not yet in sight, and business does not know how to proceed and will not know how to proceed until it knows what the additional tax burdens are to be. When the revenue bill was before this House we went upon the assumption that with the reductions in appropriations which the Appropriations Committee contemplated, we would have to find means of further reducing and curtailing Government expenditures to the extent of upwards of \$200,000,000 in order to balance the Budget. Almost everyone in the House agreed that we had to balance the Budget, that it is important to do so.

A year ago I gave a statement to the press in which I called attention to the fact that we were running behind and that we could not continue to borrow to meet peace-time expenditures without disastrous results. In November of last year the Treasury Department took the same attitude, and when Congress convened we went to work to balance the Budget. The revenue bill has passed this House, and it is pending in another body. How soon that will be completed we do not know.

A few months ago—about 10 weeks ago—this body created the Economy Committee. The Economy Committee was created purposely to aid in finding ways and means to curtail the governmental expenditures so as to balance the Budget. The Economy Committee has been in daily session ever since. About three weeks ago a second or third message came from the President in regard to the importance of curtailing governmental expenditures and making consolidations.

The committee invited the President to present his views relative to the best way of meeting the situation. The result was that the President invited us to the White House. We sat one Saturday all day around the table with the President. In the next week, on Wednesday, we spent a whole afternoon with him discussing ways and means across the Cabinet table to meet this situation. Before the President's message and before we were invited down to the White House this committee had considered some of these provisions in the bill, among others the pay cut. The committee tentatively agreed to but never reported out a bill to reduce salaries all along the line. The first day we were at the White House the chairman of the committee frankly asked the President whether he would approve that pay cut. The President gave his reasons why he was opposed to it and presented another proposition. That is the proposal known as the furlough plan, which is not in the committee print of the omnibus bill, but which will be offered as a substitute to title 1 when we come to read the bill. In the brief time allotted to me I wish to explain to you the difference between the pay-cut plan and the furlough plan.

The pay-cut plan has been explained to you by the chairman of the committee, Mr. McDUFFIE. It provides for a reduction in pay of 11 per cent, with an exemption of \$1,000. That plan will save \$67,000,000. There is some talk here of offering an amendment to raise the exemption to \$2,000. That would reduce the savings of this item down to eighteen and a half million dollars. You gentlemen who agreed, or seemed to agree, when the revenue bill was under consideration that we had to balance the Budget, especially you gentlemen who did not agree with the committee in the revenue bill, after striking out the important features of that bill, did not have a program to present to balance the Budget. I want to impress upon you who are still for balancing the Budget and who seem to have approved of the policy that \$200,000,000 more saving had to be made, that before you start to cut on any part of this bill you either ought to have ready to present something else that will

make a saving of \$200,000,000 or you ought to amend your professions that you are for balancing the Budget. [Applause.]

Mr. BRITTEN. Mr. Chairman, will the gentleman yield? Mr. RAMSEYER. I would rather not. I shall after a while when I get further along.

Mr. BRITTEN. I merely wanted to ascertain if the gentleman's \$18,000,000 saving—

Mr. RAMSEYER. I am not yielding.

The CHAIRMAN. The gentleman declines to yield.

Mr. RAMSEYER. We are in a crisis. The economic situation is serious, bordering on the dangerous. That fact can not be brushed aside. I am often impressed when I see how this House functions that everybody in the United States knows there is a crisis except the Members of this House. [Applause.] We have to meet this crisis. As I stated, if the debacle on the revenue bill had a distressing effect on business and shook the confidence of the people in Congress, I am here to tell you that if you fail, in the bill that is now before you, to reduce governmental expenditures upward of \$200,000,000, you will again shock business, and such confidence as there is left in Congress will be still further diminished.

Mr. O'CONNOR. Will the gentleman yield?

Mr. RAMSEYER. Not now.

Now, we are operating under a liberal rule, and the people are going to judge you by the way you conduct yourselves during the consideration of this measure. I am not trying to discourage amendments, but let your amendments be constructive and let your amendments be such that the object

to be attained will not be defeated by your amendments. The people of this country, especially the people who live in the rural sections, such as I represent, expect this Congress to consider and pass a bill that will effect a saving of upward of \$200,000,000.

Now I want to go to this bill. At the proper time I intend to offer a substitute for Title I. When the time comes you can get copies of committee print, which was printed for your convenience, containing this substitute.

The furlough plan, in the first place, recognizes the principle of the 5-day week. The per diem employees are now on a 5½-day week. Instead of having a 5½-day week they will have a 5-day week and will be paid proportionately. For all annual employees we do, in effect, the same thing that we do for the per diem employees. The per diem employees will lose one-half day each week. Fifty-two weeks in the year means 26 days annually. The annual employees will be given a furlough without pay for one month. In both instances the bill does not apply to employees who receive \$1,200 a year and less, and in no case will the employee's salary be reduced below \$1,200.

Now, I know Members of this House are more intimately acquainted with the Postal Service than they are with any other service. It touches all people. I was a member of the Committee on Post Offices and Post Roads for a number of years up until four or five years ago. I think I know something about the Postal Service. I had the Post Office Department prepare a chart which will give you a picture of how both plans will work as to the postal employees.

The statement is as follows:

Statement comparing the furlough plan with the 11 per cent salary-cut plan as applied to the Postal Service

Branch of service	Present number of regular employees	Present total regular pay roll	Saving by 11 per cent cut	Effect of 1 month's furlough plan			
				Gross saving	Cost of additional substitute service	Net saving	Number of additional substitutes employed
Post Office Department.....	1,450	\$2,969,660	\$167,163	\$253,000	.....	\$253,000	.....
Inspection service.....	664	2,360,200	187,572	197,000	.....	197,000	.....
First and second class postmasters.....	4,688	13,618,700	952,377	1,138,000	.....	1,138,000	.....
Third-class postmasters.....	10,800	18,185,200	812,372	.....	.....	.....	.....
Fourth-class postmasters.....	32,870	18,996,100	.....	.....	.....	.....	.....
Assistant postmasters.....	2,776	7,113,800	477,158	595,000	\$199,000	396,000	.....
Clerks, etc., first and second class offices.....	76,520	162,792,760	9,490,094	12,935,000	1,500,000	11,375,000	5,000
City letter carriers.....	33,014	110,743,100	6,350,201	9,305,000	2,280,000	7,025,000	7,000
Village carriers.....	1,008	1,326,500	35,035	110,000	30,000	80,000	100
Rural carriers.....	41,597	84,849,244	4,757,747	10,312,500	.....	10,312,500	.....
Railway postal clerks, etc.....	21,211	51,834,550	3,308,590	4,325,000	810,000	3,515,000	2,000
Motor vehicle service.....	3,818	7,826,050	440,885	652,000	157,000	495,000	400
Mail bag repair shops.....	421	676,150	28,006	49,420	.....	49,420	.....
Miscellaneous.....	238	540,540	33,280	45,045	.....	45,045	.....
Total.....	251,075	483,841,554	27,130,450	39,916,965	5,036,000	34,880,965	14,500

NOTE.—Rural carriers' equipment allowance reduced to 1½ cents per mile in lieu of furlough.

Mr. RAMSEYER. At the top you see "Statement comparing the furlough plan with the 11 per cent salary cut, as applied to the Postal Service."

In the first column is the branch of the service.

In the second column the present number of regular employees in each branch of the service. Altogether there are 251,075.

The third column is the present total regular pay roll of each branch of the service.

In the fourth column is the saving by the 11 per cent cut. The 11 per cent cut reduces expenditures for the Post Office Department \$27,130,450.

In the remainder of the chart is a subheading "Effect of the one month's furlough plan." In the first column under this subheading is the gross saving from each of the services. That is \$39,916,965 total.

In the second column is the cost of additional substitute service, which is a total of \$5,036,000.

In the third column is the net saving, which is \$34,880,965.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. WOOD of Indiana. Mr. Chairman, I yield to the gentleman from Iowa nine additional minutes.

Mr. RAMSEYER. In the last column is the number of substitute employees which can be worked in under this plan, 14,500. The number of substitutes in the Postal Service—that is, men on part-time work—is something like 30,000. Under this plan the estimate for additional substitutes, as estimated by the Post Office Department, will be something like 14,500 men. In the bill as presented to you the Saturday half holiday is done away with, which, of course, lengthens the week for the Postal Service from five and one-half days to six days. In the furlough plan we leave it at five and one-half days, which increases the number of substitutes that can be used.

Mr. DOUGLAS of Arizona. Will the gentleman yield?

Mr. RAMSEYER. In just a moment.

Then the furlough plan for annual employees of one month without pay gives employment to additional substitutes.

The rural carriers, under the pay-cut plan, of course, are cut just as all other employees. That is, 11 per cent over the \$1,000 exemption. The furlough plan does not apply to the rural carriers, nor, of course, does the Saturday half holiday apply. The rural carriers are reduced in pay in that instead of receiving 4 cents a mile for equipment allowance they receive 1½ cents.

Now I yield to my colleague for a question.

Mr. DOUGLAS of Arizona. The gentleman inferred that the 5½-day week would continue in force under the furlough plan. It was my understanding of the furlough plan that, in effect, either by reason of reducing the per diem employee to five days, or by reason of compelling the annual employee to take a month's leave without pay, the week would be shortened to five days, which in substance was the reason for the necessity for employing additional substitutes. Otherwise it is not clear in my mind as to why additional substitutes must be employed.

Mr. RAMSEYER. The per diem employees are placed on a 5-day week plan. The annual employees are not changed.

Of course, the annual employees in the department here in Washington get 30 days leave now; in the field they get 15 days leave. The nature of the work in the Post Office Department is such that when one of the employees goes on leave a substitute must be put in his place, and the substitute receives less pay than the salary of the regular employee. There is where the saving comes in.

Mr. DOUGLAS of Arizona. And that is why additional substitutes must be employed.

Mr. RAMSEYER. That is correct. One argument for the furlough plan which is fairly plain is to prevent the discharge of employees, by staggering the work; and, if the appropriations are greatly cut too much in the appropriation bills, as there seems to be a tendency in the Senate to do, this furlough plan contemplates that there will be less discharges of employees in the Government services, and in the Post Office Department and some other services there will be room for substitute workers.

The idea of staggering is to make it less necessary to discharge employees and to give more of the employees work. It is true that some of them under this plan lose a little more in dollars and cents than under the pay-cut plan, but there is a principle involved which has been carried out in many of the industries; that is, that rather than discharge employees the work is spread among more employees. It is true it results in reduction in pay over a long period of time.

Mr. DOUGLAS of Arizona. If the gentleman will yield for just a very brief statement, I think what the gentleman has said proves my contention that the furlough plan, in effect, reduces the working week of the annual employees in the Postal Service in the District and in the field from 5½ days to 5 days per week, and that that, in essence, is the reason for the necessity of employing additional substitutes.

Mr. RAMSEYER. The gentleman's statement is correct. Of course, in the Post Office Department the per diem employees are not as numerous as they are in some other Government establishments, as the navy yards and some other branches of the Government service. If I understand the Postal Service correctly there are not so many per diem employees in it. The employees mostly are on annual pay rolls.

Mr. BOWMAN. Will the gentleman yield?

Mr. RAMSEYER. If it is a question with regard to the operation of the furlough plan, I yield; yes.

Mr. BOWMAN. With reference to the rural carriers, have you estimated the difference between the 1½ cents per mile and the reduction that would be effected by the furlough plan?

Mr. RAMSEYER. The furlough plan can not be applied to rural carriers in such a way as to produce any savings, because the substitutes in that service will receive the same pay as the regular carriers. The rural carrier, in the furlough plan, loses a little more than one month's pay.

Mr. BOWMAN. How does that reduction compare with the 11 per cent reduction?

Mr. RAMSEYER. Of course, on different salaries it is a little different. Any salary can be divided by 12 and the reduction effected by the furlough plan ascertained. It can be figured out by the pay-cut plan, and the two results compared. Let me be frank—in dollars and cents under the pay-cut plan many employees lose some dollars less than they would lose under the furlough plan. The furlough plan saves more money for the Treasury, and at the same time

makes it less necessary to discharge employees. It is more economical and beyond question more humane. [Applause.]

The CHAIRMAN. The time of the gentleman from Iowa has expired. All time has expired.

The Clerk read as follows:

PART II

TITLE I.—COMPENSATION REDUCTION OF FEDERAL EMPLOYEES

SECTION 101. As used in this title, the term "compensation" means any salary, pay, wage, allowance (except allowances for subsistence, quarters, heat, light, and travel), or other emolument paid for services rendered in any civilian or noncivilian office, position, employment, or enlistment; and includes the retired pay of judges, and the retired pay of all commissioned, warrant, enlisted, and other personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, Lighthouse Service, and the Public Health Service; but does not include payments out of any retirement, disability, or relief fund made up wholly or in part of contributions of employees.

SCHEDULE OF TEMPORARY REDUCTIONS

SEC. 102. (a) During the fiscal year ending June 30, 1933, the compensation for each civilian and noncivilian office, position, employment, or enlistment in any branch or service of the United States Government or the government of the District of Columbia is hereby reduced as follows: Compensation at an annual rate of \$1,000 or less shall be exempt from reduction; and compensation at an annual rate in excess of \$1,000 shall be reduced by 11 per cent of the amount thereof in excess of \$1,000.

(b) For the purposes of determining the percentage of reduction under this section applicable to any office, position, employment, or enlistment the compensation for which is calculated on a piecework, hourly, or per diem basis, the annual rate of compensation shall be held to be the total amount which would be payable for the regular working hours and on the basis of 307 working days, or the number of working days on the basis of which such compensation is calculated, whichever is the greater.

EXEMPTIONS FROM REDUCTION

SEC. 103. Section 102 of this title shall not apply to—

(a) any office, position, employment, or enlistment the compensation for which is expressly fixed by international agreement, or

(b) compensation paid under the terms of any contract in effect on the date of enactment of this act if such compensation may not lawfully be reduced, or

(c) any office the compensation of which may not, under the Constitution, be diminished, in the case of any incumbent, during the term for which he was elected or during his continuance in office, unless the application of such sections to such office will not result in a diminution of compensation prohibited by the Constitution, or

(d) any office, position, employment, or enlistment the compensation for which is adjustable to conform to the prevailing local rate for similar work; but the wage board or other body charged with the duty of making such adjustment shall immediately take such action as may be necessary to effect such adjustment, or

(e) commissioners of the United States Shipping Board; members of the Federal Farm Board (except the Secretary of Agriculture); members of the International Joint Commission, United States section; or members of the Board of Mediation.

GOVERNMENT CORPORATIONS

SEC. 104. In the case of a corporation the majority of the stock of which is owned by the United States, the holders of the stock on behalf of the United States, or such persons as represent the interest of the United States in such corporation, shall take such action as may be necessary to apply the provisions of sections 101, 102, and 103 to offices, positions, and employments under such corporation and to officers and employees thereof.

SUSPENSION OF SATURDAY HALF HOLIDAYS

SEC. 105. (a) The provisions of the act entitled "An act providing for Saturday half holidays for certain Government employees," approved March 3, 1931 (U. S. C., Sup. V, title 5, sec. 26a), shall be inoperative during the fiscal year ending June 30, 1933, and the provisions of law amended by such act shall apply as if such act had not been enacted.

(b) The provisions of the act entitled "An act to provide a shorter work week for postal employees, and for other purposes," approved February 17, 1931 (U. S. C., title 39, sec. 831), shall be inoperative during the fiscal year ending June 30, 1933, except in the case of employees of the Railway Mail Service, and the provisions of law amended by such act (except in so far as they relate to employees of the Railway Mail Service) shall apply as if such act had not been enacted.

REMITTANCES FROM CONSTITUTIONAL OFFICERS

SEC. 106. In any case in which the application of the provisions of this title to any person would result in a diminution of compensation prohibited by the Constitution, the Secretary of the Treasury is authorized to accept from such person, and cover into the Treasury as miscellaneous receipts, remittance of such part of the compensation of such person as would not be paid to him if such diminution of compensation were not prohibited.

REDUCTIONS INAPPLICABLE WHEN COMMODITY PRICE LEVEL RISES

SEC. 107. If at any time prior to June 30, 1933, the President finds that for a period of 120 days the average wholesale commodity price level is within 10 points as high as the average wholesale commodity price level of the year 1923, indicated by the figure 100 in the revised index of the Bureau of Labor Statistics of the Department of Labor, he shall issue a proclamation to that effect, and upon the issuance of such proclamation the foregoing provisions of this title shall cease to be in effect.

LIMITATION OF JURISDICTION OF COURTS

SEC. 108. No court of the United States shall have jurisdiction of any suit against the United States or against any officer, agency, or instrumentality of the United States arising out of the application of any provision of this title, unless such suit involves the Constitution of the United States.

PERMANENT SALARY REDUCTIONS

SEC. 109. Beginning July 1, 1932, the salary of each of the members of the International Joint Commission, United States section, shall be at the rate of \$5,000 per annum.

SEC. 110. Beginning July 1, 1932, the salaries of the commissioners of the United States Shipping Board, the members of the Federal Farm Board (except the Secretary of Agriculture), and the members of the Board of Mediation shall be at the rate of \$10,000 per annum.

SEC. 111. Beginning July 1, 1933—

(a) The salaries of the appointive members of the Federal Reserve Board, the commissioners of the Interstate Commerce Commission, the Administrator of Veterans' Affairs, and the commissioners of the United States Tariff Commission shall be at the rate of \$10,000 per annum.

(b) The salaries of all judges (except judges whose compensation may not, under the Constitution, be diminished), if such salaries are in excess of \$10,000 per annum, shall be at the rate of \$10,000 per annum.

APPROPRIATIONS IMPOUNDED

SEC. 112. The appropriations or portions of appropriations unexpended by reason of the operation of this title shall not be used for any other purposes but shall be impounded and returned to the Treasury.

Mr. O'CONNOR. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: Page 2, lines 14, 16, and 17, strike out "\$1,000" and insert in lieu thereof "\$2,000."

Mr. DOUGLAS of Arizona. Mr. Chairman, I rise in opposition to the amendment, because it is my impression the House is under a serious misapprehension.

The gentleman from New York [Mr. O'CONNOR] has referred to other savings or to other reductions in expenditures which might be effected as a result of consolidations or mergers which the Economy Committee at some future time might possibly recommend to the House.

In the first place, it is difficult to estimate what savings, if any, will result from consolidations and mergers. It is difficult to state with any degree of accuracy that there will be, as a matter of fact, any savings resulting from consolidations and mergers. There are unquestionably overlapping activities between the various bureaus and agencies of the various executive departments and of the independent establishments, but it is, I repeat, difficult to state what economies, as a matter of fact and not as a matter of speculation, can be effected as a result of consolidation. The only way concrete, definite savings can be effected is by eliminating activities.

The Economy Committee felt, and I think it felt with some justice, that in view of the proposed cuts now under way by the body at the other end of the Capitol, it would hardly be fair for it to superimpose upon those cuts additional cuts. It would hardly be intelligent to impose upon the cuts contemplated by the Senate additional cuts in this body, and it felt that until the action of the other body had become perfectly clear, it would be almost an act of injustice to do anything more than that which the committee has here done.

The gentleman from New York [Mr. O'CONNOR] proposes to raise the exemption under Title I to \$2,000. The gentleman from New York has stated that the Economy Committee in approaching the problem of economy proceeded along the following lines, by stating that so much money had to be saved as the result of cutting pay; and after having determined how much money should be saved, the Economy

Committee thereafter proceeded to erect a formula which would save that given amount.

Much as I respect the gentleman from New York, I take issue with him on the assumption which he has made. Let me give you, or attempt to give you, what appears to me to be a clear statement of the Federal salary situation.

In the first place, I will admit, and admit frankly, to the Members of the House that there are inequalities in the pay scale. I would not attempt to deny this; but within the limited period of time at the disposal of the committee it was impossible, it seemed to us, to equalize these inequalities.

The first fact which stands out clearly in any survey of Federal pay is that approximately 70 per cent of the pay roll is to be found in the \$2,400 bracket or under; and the second fact which stands out clearly, I think, as a result of a review of the report of the Personnel Classification Board, is that Federal employees receiving, as I recall it—I may be off \$50 or \$100—\$1,800 or less are better paid than the same class employed in similar occupations in private life, whereas those receiving \$1,800 or more in the Federal employ are receiving comparatively less than those occupying similar positions in private life.

[Here the gavel fell.]

Mr. BRITTEN. Mr. Chairman, I offer a substitute for the amendment that is pending increasing the exemption to \$2,500.

The Clerk read as follows:

Substitute amendment offered by Mr. BRITTEN to the amendment offered by Mr. O'CONNOR: Strike out "\$2,000" and insert in lieu thereof "\$2,500."

Mr. BRITTEN. Mr. Chairman, my first impulse was to offer a substitute providing for an exemption of \$3,000, but after hearing the distinguished gentleman from Arizona, Mr. DOUGLAS, and his statement that 70 per cent of all the employees of the Government are in the brackets below \$2,500 I changed my mind and offered an amendment for an exemption of \$2,500.

Surely, while this economy hysteria is going on, we do not want to suggest that our hundreds of thousands of Federal employees all over the United States merely work to live or to exist. There must be something else in life besides mere work.

It is true that we should think of conserving the Treasury. It is true, as the gentleman from Iowa has said, we should think of business and business conditions; but it is also true that we hold in the palm of our hands the destiny for the next year, the activity, the life, the happiness, the welfare of hundreds of thousands of employees of the Government. [Applause.] They are our principal charge and we must not destroy them. They constitute a great national asset.

Mr. Chairman, I do not propose to allow myself to be stampeded by a lot of this silly hysteria that has been going on in this House this afternoon. We are working at cross purposes. We are taking the bull by the wrong end [laughter], and I mean it; and we are going to be kicked in the face if we are not very careful. [Laughter and applause.]

Let me suggest one thing. For the saving of a measly \$17,000,000 or \$18,000,000, affecting 341,000 poorly paid employees, we are being asked to reduce their already low salaries. Surely this is not true economy. It will make for inefficiency, poverty, sadness, and further general depression. Most of these employees of the Government have families. They have kiddies going to school. They take them to a moving-picture show once in a while. They take them on a picnic on Sunday in a little unpaid-for car. Are you going to take this away from them? I do not think you are. You are not going to do it with my vote, and I know there are a lot of others who feel as I do about it. Life is meager enough for them. Their wants are few, but they are entitled to live in moderate comfort. Starvation wages has never been Uncle Sam's idea.

If you want to do something that is constructive and in line with the great volume of letters talked about to-day by the chairman of this committee, the gentleman from Alabama [Mr. McDUFFIE]—letters coming from all over the United States asking us to cut down Federal expenses and

stop taxing people out of business—I suggest you tax something into business. Tax beer. Promote a new business. Put new money into circulation. Put a little fresh cheer into life.

Tax the 1,100 breweries of the country into activity. Give employment to many allied trades and provide pay and a living for 2,000,000 souls who would directly and indirectly benefit by this new and popular activity.

Mr. Chairman, there is nothing sacred about prohibition. It has had many years of serious trial. Costly years. It has been adjudged a failure by millions of people, who now desire a change. The time is not now far distant when we will tax beer in those States desiring it. Its revenue will go far toward relieving the unbalanced Treasury. The people usually get what they want—and they certainly want beer.

Mr. McDUFFIE. Will the gentleman yield?

Mr. BRITTEN. Yes.

Mr. McDUFFIE. It is estimated that we may save fifty to one hundred million dollars by joining the Army and the Navy in a council for national defense. Will the gentleman vote for that?

Mr. BRITTEN. No. It is a reckless, foolish idea, on which you have had no expert advice. You will not save a hundred million dollars by it; on the contrary, it will prove to be another costly experiment on which a hundred million could easily be lost. I will tell you how you can save \$600,000,000. Put 4 cents tax on a bottle of beer, and you will put into business instantly enterprises worth \$840,000,000, enterprises that will immediately expend \$200,000,000 in the rehabilitation of the breweries. You can here tax a big business into business that will save you not \$100,000,000 but \$600,000,000.

[Here the gavel fell.]

Mr. McDUFFIE. Mr. Chairman, I rise in opposition to the amendment. Gentlemen of the House, the pay roll of this Government is more than one-quarter of the cost of the Government. It is \$1,315,000,000. Adopt the substitute or the amendment, and if you adopt the substitute, out of \$1,300,000,000 you will save on this pay roll only twelve or fourteen million dollars, and you will be laughed at throughout the country.

Now, it is no pleasure to reduce the salary of anyone, it is no pleasure to suggest the reducing of the salary of these splendid ladies and gentlemen who crowd the galleries this evening. But do not be stampeded by them and their friends or by any others. We do not propose to balance the Budget on this sum of \$67,000,000, as proposed by the committee. You can not go back to your constituents and say we only took from the \$1,300,000,000 salary roll the measly sum of \$12,000,000. In order to understand how much a billion is there has not been a billion and a half minutes since the birth of Christ. Are you willing to go back to your constituents and say out of the \$1,300,000,000 salary which you are paying we have saved you less than 1½ per cent?

Now, gentlemen of the House, do not let this propaganda, do not let the newspaper stories in Washington, do not let the various organizations stampede this House and prevent it from doing its duty to the taxpayers of the country, to those who pay these salaries.

Mr. BLANTON. Will the gentleman yield?

Mr. McDUFFIE. No; not now. The businesslike thing to do—and I urged it—the best thing to do was to take everyone on the pay roll of the United States Government and deduct 10 per cent of his salary, as every nation in the world has done, as every city—and I have a list of them, Chicago, Buffalo, Detroit, and many others throughout the country have had to do—take 10 per cent, and save \$133,000,000 for the taxpayers.

Mr. SCHAFER. Will the gentleman yield?

Mr. McDUFFIE. Not now. You would save, not the measly sum of twelve to fourteen million dollars, but you would have something worth while, \$133,000,000 for the year 1933.

Do not you think that a man fortunate enough to have a job with Uncle Sam at \$1,200, since the cost of living has

gone down twice as much as we propose to take—do you not think he is fortunate when compared with the man walking the street out of employment with no job at all?

We are all taxpayers, we all pay our part; the average man enters into the picture—you can “soak the rich,” but after all they have a way of passing it down to the consumer—you may put it on the power company, you may put it on the street cars, you may put it on the railroads, but in the end it is the average man, the consumer, who pays the bills of this country. [Applause.] Every man in the United States other than those on the pay roll is interested, if you please, in putting this Government back on an even keel financially. I submit to you as honest, upstanding Representatives of the American people that it is farcical, it is ridiculous, to talk about saving \$12,000,000 out of a billion-dollar pay roll. [Applause.]

Mr. SCHAFER. Mr. Chairman, I rise in favor of the amendment. The gentleman who introduced the amendment briefly spoke about a real plan of balancing the Budget. The gentleman from Iowa [Mr. RAMSEYER] talked about our being confronted with a serious situation in this Nation, which is parallel to the war-time situation, and particularly stressed the condition of the Treasury.

May I suggest to the gentleman from Iowa that not more than two years ago a good many of these economy peddlers who are now fearful about the Treasury painted a wonderful picture of prosperity and how the Treasury of the Nation was practically running over because of the incorporation into the Constitution of the eighteenth amendment and the sumptuary laws enacted thereunder. If you will look at page 26 of the hearings on the tax bill, you will find that the Secretary of the Treasury testified that in the year 1919 the revenue received by the Federal Treasury under the excise tax on beverages containing more than one-half of 1 per cent of alcohol amounted to the staggering sum of \$483,000,000, many times the few millions that you want now to whittle off the pay checks of the Government employees in the name of balancing the Budget.

Mr. DOUGLAS of Arizona. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER. In just one moment, if the gentleman will get me more time. We find that these economy peddlers on the Economy Committee have not attempted in any way to reduce the cost of government by reason of the prohibition laws. We are not only not receiving hundreds of millions of dollars from an excise tax on alcoholic beverages, but are spending over \$40,000,000 of the Federal taxpayers' funds each year to enforce the unenforceable prohibition laws.

If you really want to balance the Budget and help the taxpayers, I respectfully suggest that you sign the petition and discharge the committee from the consideration of the beer bill so that it can come before the House for consideration and passage with your assistance. Help the Federal Treasury to the tune of about \$500,000,000 each year, and you will not have to cut the salaries of the Federal employees who are now receiving less than \$2,500 per year.

I for one will not vote to reduce the salaries of the efficient postal employees whose backs are curved and humped from carrying products of mail-order houses, newspapers, and other publications at a loss of over \$100,000,000 annually to the Federal Treasury. Many of the owners of these mail-order houses, newspapers, and publications are carrying on an intensive drive to reduce the salaries of the postal and other Government employees in the name of the taxpayers and a balanced Budget. They had better come into court with clean hands and advocate a raise in postage on their products so they will not be carried at a loss to the Federal Treasury of over \$100,000,000 annually before they ask for the saving of a few millions by reducing the salaries of the postal employees.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. MAAS. Mr. Chairman, this whole subject that is so engrossing the Congress and the country is one that should not be considered in such a hasty and unstatesmanlike manner as we have it presented to us now, because the conse-

quences are not for to-day alone but almost for all eternity, perhaps, because to-day the whole world is looking to this country for stability; and if we collapse, it means the collapse of civilization. We are all seeking the same object. The question is, What is to be the method? The question of reducing the salaries of Federal employees from the standpoint of justice, as to whether they can stand the burden or not, is one to be looked at very seriously, of course. I venture to say that the vast majority of all the Federal employees to-day are supporting from one to three or more people who would be normally self-supporting, and just because these people are working for the Government they have to stand this extra burden.

They can not bear any more. But, aside from the justice to the individual employee, it is not \$100,000,000, or whatever it is you say you are going to save, that is important, but it is the billions of reduction that will take place in the purchasing power of the American people. It is our example now that general business will follow throughout all industry in the matter of wages. The demand is for return of prosperity. That is our real object. You say you want to cut salaries so that you can inspire confidence and reestablish prosperity. What man among you has ever heard of a period of prosperity when wages were going down? Do you think you ever will? The proper thing is to maintain the standard of living, because if we cut now, the rest of the country will say, "Congress has lost confidence in the future of America to such an extent that it has had to reduce the standard of its own employees," and it will cause a panic if ever anything did. Yes, we must reduce Federal expenditures. It is absolutely essential, but salaries constitute about 17 or 18 per cent of the total Budget. Why do you not direct attention to the balance of the Budget—the other 83 per cent, where there is an opportunity for some real economy?

Mr. DOUGLAS of Arizona. Will the gentleman yield?

Mr. MAAS. I have such little time that I would rather not.

I want to read to the committee a letter from a large retail store in my district. This is dated April 25. It is from the Golden Rule, of St. Paul:

DEAR SIR: My attention has been called to the fact that many Federal employees have heard that the Golden Rule is instrumental in trying to have salaries reduced of people employed by the Government.

We do not know where this rumor started, but I wish to inform you that it is entirely erroneous. It would be folly for the Golden Rule or any other retail organization to attempt to have salaries reduced, regardless of whether people are employed by the Government or by private business.

Retail business is dependent upon the income of employed people. When salaries are reduced, it means a loss in our own business, as the purchasing power of our customers has been reduced.

The Golden Rule has many hundreds of people on its pay roll. These people are dependent upon us for their livelihood. We want to keep this large organization intact, but can only do so by maintaining our volume of business. If salaries continue to decline, it would materially affect our own organization and our business. Why should we be instrumental in a movement that not only affects the purchasing power of our patrons, but ourselves as well?

We trust that we have made our position clear in this matter.

Now, gentlemen, I have had an analysis made of all the letters I have received in favor of salary reductions, and 80 per cent of them have come from employees of chain stores, and in following it up to the individuals, I find they have been instructed to write to me and to other Members. These letters are not spontaneous from those people at all. They are inspired. They are ordered. Yet what folly. If we are to reduce the purchasing power of the American people, how can we revive prosperity?

Mr. McDUFFIE. Will the gentleman yield?

Mr. MAAS. Yes. I will be glad to yield to the chairman of the committee.

Mr. McDUFFIE. Under the gentleman's theory, then, the way to bring about prosperity is to have more employees and to raise their salaries?

Mr. MAAS. Yes, sir. That is exactly my position. The way to do that is to get more people on the pay rolls of industry and business, not the Government, until all unemployment is absorbed into self-supporting employment, and

then always strive for a higher standard of living for the wage earner, which comes about from higher wages. It is with the wages of the mass of workers that industry's products are purchased and from which dividends are paid.

The thing for us to do is to revive business and revive the source of revenue, and not choke it off.

Mr. McDUFFIE. Where is the revenue coming from to pay the salaries?

Mr. MAAS. Tax beer and liquor. That is where you can get it. [Laughter and applause.]

It is utter folly and rank hypocrisy to prattle about balancing the Budget and eliminating the deficit by cutting the veins of the employees and draining out the very heart blood in a hysterical terror to make governmental ends meet, when staring us in the face, yea, mocking us with satirical ridicule is the means at hand to save these all too inadequate salaries, to preserve the high American standard of living, the very essence and secret of our past successes and the basis of all our prosperity.

How can any man among you justify this unreasonable, inhumane, backward step of cutting the living wages to balance a depleted Budget before you have exhausted every other alternative.

By taxing the liquor traffic you will raise 10 times in revenue the amount you now propose to chisel off from the Budget. It is not a question of returning the liquor traffic in order to tax it. The traffic is here, and it is merely a question of whether we have the honesty and courage to admit what the whole world knows and to take the revenues for the benefit of the people, that now go to the enormous octopus and parasite of society, the organized crime rings. Have we the courage to defy the lords of the underworld and tax them? Let us show at least as much courage in taking from them as you are showing in proposing to take away from the small-salaried family man who is the backbone of this great country.

Oh, gentlemen, let us not give up and surrender in abject fear and terror at the first reverse we meet in our great march on and upward in the social advancement. Our progress has been marvelous so far. We have met setbacks before. Our hardy predecessors never lost faith. They marched on and over the obstacles. Let us take courage from them. Let us not retreat now in utter confusion and rout. Let us renew our faith and demonstrate our hope by looking ahead and up, not backward and down. We can not go back without surrendering. We have not reached the end of the road. We have only got well started. I plead with you to reinspire the confidence of the country and the world by showing it ourselves.

Instead of going backward and down into the depths, let us resume going ahead and upward again by holding our hard-won gains in the standard of living by maintaining the wage level. Take the revenues from the bootleggers and racketeers. They are draining billions annually from legitimate commerce.

We have no right to ignore that source of revenue, that method of balancing the Budget and then try to do it by imposing hysterical taxes and salary cuts that will in the end only defeat their own purpose.

Only if we are to admit that we have run our race, that our day in America is over and that we are now starting down the path of the exhausted Roman Empire never to return have we the right to resort to such methods as proposed now.

I, for one, am not willing to admit that the race is over, nor even half run. I refuse to admit our complete failure. We are but pausing for our second breath and then the race will be swifter than ever. Hope, courage, faith, Americans! Our greatest days are yet ahead. We are not crushed and nothing can crush us but our own willingness to admit failure. Cutting salaries of the low-paid workers will be such an admission. To reject such a cut will be serving notice to the world that we are ready to face the future courageously.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. COCHRAN of Missouri. Mr. Chairman.

The CHAIRMAN. The gentleman from Missouri [Mr. COCHRAN].

Mr. DYER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DYER. Of course, I do not object, because my colleague has been recognized. I do not wish to make the point of order myself. I think the gentlemen in charge of the bill are responsible, but there are two amendments pending, one amendment and one substitute amendment, and, as I understand the rules, there are five minutes allowed on each side. We have had more than that. I want to say, Mr. Chairman, that I think we ought to vote upon this at an early time. It is a simple matter, and unless the chairman of the committee insists upon the rule, I shall make the point of order myself.

The CHAIRMAN. That, of course, is the pleasure of the committee. The Chair has recognized the gentleman from Missouri [Mr. COCHRAN] for five minutes.

Mr. COCHRAN of Missouri. Mr. Chairman, I rise in support of the amendment. I desire to answer the gentleman from Alabama [Mr. McDUFFIE]. The gentleman asks if we dare return to our constituents and say that we failed to reduce the salaries of the postal employees. At this moment we seek to protect those in the lower brackets. No matter what the result is, those in the high brackets, including Congressmen, suffer a reduction.

I am satisfied that when the people of my State—not my district, because I am forced to run at large throughout the entire State of Missouri—when the people of my State understand the situation, they will agree my vote was properly cast.

No fair American will stand for discrimination. This afternoon, when there were not so many Members on the floor as at the present time, I asked the members of the committee to read this bill carefully. The salary reduction amendment which you would have applied to those in the Postal Service is but one of six reductions that the postal employees of this country will be required to accept if this bill is passed as brought in by the Economy Committee. This group will suffer a reduction double that of any class receiving a like amount.

There is a provision in this bill which reduces their subsistence allowance from \$3 to \$2 per day.

There is a provision in this bill that takes away from the Government employee, including the postal employee, the Saturday half holiday.

There is a provision in this bill that takes from the postal employee night differential pay.

There is a provision in this bill that takes from the Government employee that which labor has fought for for 50 years, the right to be paid for overtime.

There is a provision in this bill which deprives the postal employees of extra pay for work on holidays and Sundays, something they have enjoyed for years.

There is another provision in this bill that denies to the postal employees automatic promotions. That law is suspended.

Do you mean to tell me that the people of this country are satisfied that you shall take seven different and distinct benefits which have been enjoyed by the Government employees away from them?

I am satisfied, Mr. Chairman, that the people of my State are not expecting us to do that. The trouble with the country to-day is that consumption has failed to keep pace with production; and until we find a way to consume that which we produce, it is my opinion that we will not start back on the road to normalcy. The proposition before the House to-day should be properly labeled "A bill to stimulate unemployment," because that is what will result.

I say to you gentlemen that I have been for 10 weeks openly opposed to reducing the salaries of the Government employees in the lower brackets. That has been printed in every newspaper in the United States, and it has been carried by every press association in the United States. I have not received more than 25 letters from my State demanding

that the Government employee receiving barely a living wage be reduced, [Applause.]

[Here the gavel fell.]

Mr. DYER. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. DYER. I make the point of order that all debate on the pending amendment has been exhausted.

Mr. MANLOVE. Mr. Chairman, let me ask the gentleman whether he will not permit general debate on this until everybody has had an opportunity of saying what he wanted to say?

Mr. DYER. I believe both sides have been presented adequately enough for us to know exactly what it is. It is a question of whether there shall be a \$1,000 exemption, a \$2,000 exemption, or a \$2,500 exemption.

The CHAIRMAN. Does the gentleman from Missouri insist upon his point of order?

Mr. BRITTEN. Mr. Chairman, I ask the gentleman from Missouri to withhold his point of order for one minute.

Mr. McDUFFIE rose.

Mr. DYER. I yield to the gentleman from Alabama [Mr. McDUFFIE].

Mr. McDUFFIE. I ask unanimous consent that all debate on the amendment and the substitute close in 30 minutes.

Mr. KUNZ. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. Is there objection?

Mr. DYER. Mr. Chairman, I renew the point of order.

The CHAIRMAN. The Chair sustains the point of order of the gentleman from Missouri.

Mr. BYRNS. Mr. Chairman, I move to strike out the last three words. Certainly that has not been debated.

Mr. DYER. I make a point of order against that.

Mr. BLANTON. Mr. Chairman, in order to get the floor, I move to strike out the enacting clause of the bill, which is a preferential motion.

The CHAIRMAN. The regular order is to vote on the adoption of the substitute.

Mr. BLANTON. No, Mr. Chairman. I submit a preferential motion to strike out the enacting clause.

The CHAIRMAN. The gentleman from Texas has offered a preferential motion which the Clerk will report.

The Clerk read as follows:

Mr. BLANTON moves to strike out the enacting clause of the bill.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. No; do not do that.

SEVERAL MEMBERS. We object.

Mr. DYER. Mr. Chairman, a parliamentary inquiry.

Mr. BLANTON. Mr. Chairman, I shall not yield for any parliamentary inquiry.

Mr. McDUFFIE. I make a point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. McDUFFIE. There is no enacting clause to this amendment.

Mr. BLANTON. Mr. Chairman, there is an enacting clause to the bill.

The CHAIRMAN. Of course there is an enacting clause to the bill. The point of order is overruled.

Mr. BLANTON. Mr. Chairman—

Mr. STAFFORD. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. STAFFORD. A motion to strike out the enacting clause is not in order while the committee has under consideration pending preferential amendments that have not been acted upon.

Mr. BLANTON. Mr. Chairman, to strike out the enacting clause is one motion that is always in order.

Mr. STAFFORD. The gentleman may say it, but it is not always in order until such amendments have been acted upon.

The CHAIRMAN. The rule of the House clearly states that such a motion has precedence, even over a motion to amend. The gentleman from Texas is recognized for five minutes.

Mr. BLANTON. Mr. Chairman, I have stood for strict economy in all governmental expenditures ever since I have been in Congress. I have fought against all waste and extravagance. I have fought to abolish useless bureaus. I have fought against excessive salaries. I have consistently fought against the creation of all new bureaus and for proper limitation both on the number of employees and also for placing a proper maximum on the amount of salaries.

For some time I have had my House Joint Resolution No. 344 pending before the committee to reduce all salaries above \$2,200, and to cut our own salaries down to \$7,500, and to limit all governmental salaries that are not fixed by the Constitution to a maximum of \$7,500.

My measure would repeal the classification act and abolish the Classification Board, and all of the unreasonable high salaries it has fixed, and return to the salary basis that existed prior to the passage of that foolish act, which has caused bureau chiefs and assistants to be raised from salaries of \$1,800, \$2,200, \$2,500, and \$3,000 to the outrageous and never-dreamed-of amounts of \$5,000, \$6,000, \$7,000, and \$9,000 salaries that are not earned, and are double and treble their former remuneration.

This committee bill does repeal the classification act and abolish the Classification Board, but it does not abolish the high salaries wrongfully created, and it does not put such salaries back on the basis that existed prior to the passage of the classification act. This we must do before we finish this bill.

I will go as far as any of you colleagues in cutting the high salaries, including our own. But we ought not to cut any salaries below \$2,200. It takes that amount for any family to live in Washington. They have to pay rent, and for food and clothing and coal and ice and doctors' bills, dentists' bills, medicine, and sometimes hospital expenses and church and fraternal contributions and assessments, and they must properly school their children. No family can do this decently in Washington on less than \$2,200 per year.

We have properly established in the United States an American standard of living. It means nothing more or less than living as human beings in a decent manner. Who of us would have an American family live in a manner that is not decent? Who would lower the American standard of living? Not one of us. Well, if we would not, we ought not to lower the salaries of not more than \$2,200, but cut only the higher salaries above that amount.

When President Hoover got this Congress to pass his outrageous \$2,000,000,000 Reconstruction Finance Corporation bill, which I opposed from this floor, I then called attention to the fact that because it had no proper limitations in it, there would be an army of new employees put on the Government pay roll, and they would be paid outrageously large salaries. That has happened. They have an army of employees. They are paying many huge salaries, ranging up to \$16,000 per annum. Is not it ridiculous for us to allow that to continue? Here we are in this bill reducing the \$10,000 salaries drawn by United States Senators and Congressmen, and still allowing that Hoover supercorporation to pay employees \$16,000 per annum.

If President Hoover wanted economy, why did he have that bill framed so that General Dawes could pay these outrageous salaries without limit? Why, the answer is plain. He wanted those high salaries paid, and he knew all about the personnel of his political friends who would be appointed to draw them.

There are faithful, loyal employees of this Government, who now get only \$2,160 per annum, who have not had a raise in salary for 10 years.

Would it not be outrageous to cut their salaries? How on earth will a family live in Washington, with rents higher here than anywhere else in the world and with everything else higher in proportion—how would they pay their expenses and live like human beings on less than \$2,160 a year?

I hope sincerely that this exemption will be raised to at least \$2,200.

I am in favor of most of this bill. I am in favor of the splendid proposition which our friend from Tennessee [Mr. BYRNS] put in this bill to consolidate the Army and the Navy into one Department of National Defense, because that will save at least \$100,000,000 a year. That is one of the big items in this bill. Let us pass that item and have a unified Air Service, which will take in all of the four different air departments we now have. Let us stick to the big things. Let us save \$100,000,000 there and not cut these small salaries to a point where people can not live on them. Let us let them live under the American standard of living and not under the peon system of the European nations.

Mr. McDUFFIE. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. McDUFFIE. The gentleman spoke of rents being higher here than anywhere else?

Mr. BLANTON. Higher than anywhere else in the world.

Mr. McDUFFIE. I agree with the gentleman and that it costs more to live here than anywhere else, but as long as we maintain these high salaries they will continue to prevail.

Mr. BLANTON. Cut the higher salaries. That is exactly what I want to do, and I will go with the gentleman as far as he likes in that direction.

Mr. McDUFFIE. We are cutting the higher salaries. We are cutting them more than we are cutting the low salaries.

Mr. BLANTON. I had hoped our friend would put in this bill a provision to abolish all of the high salaries raised by the Classification Board, which has stolen all of the money which we intended for the working employees of this Government and given it to the big chiefs and their assistants. [Applause.] But there is no attempt here to abolish the high salaries under that infamous act. It ought to be repealed.

Mr. McDUFFIE. It is repealed in this act; it is abolished under this act, and the President is authorized to transfer the Classification Board to the Civil Service.

Mr. BLANTON. But you do not abolish the high salaries already raised and fixed by that infamous act that have been carried on ever since the act was passed.

Mr. McDUFFIE. It will take two years to stop all of those infamous acts. We did not have the time to do it all at once.

Mr. BLANTON. I want to say that our friend deserves great commendation, and his committee as well, for the strenuous work they have performed. They deserve the commendation of the country. They have a good bill. I am with them on their bill. I am with them on 99 per cent of it, but this is one instance where we ought to amend it. We ought to make this exemption \$2,200.

Mr. MAY. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. MAY. I would like to ask the gentleman if it is not a fact that under this bill \$48,500,000 out of the \$67,000,000 comes from employees whose salaries are under \$2,000.

Mr. BLANTON. I would say from salaries under \$2,200, and we ought not to cut any salary under \$2,200. We ought not to do it.

Mr. Chairman, I moved to strike out the enacting clause of the bill merely as a pro forma motion, as that was the only parliamentary way of getting the floor. Of course, I am not in favor of striking out the enacting clause, and if my motion were put I would vote against it. I wanted to give my views on this bill, and the only way possible to do so was to make some motion that would give me the right to speak, and that was the only motion that was in order. I therefore ask unanimous consent that I may withdraw the motion, unless some one else wants to speak now and desires to rise in opposition to it, which would give them the floor.

Mr. STAFFORD and Mr. GOSS objected.

The CHAIRMAN. Objection is heard. The Chair recognizes the gentleman from Idaho [Mr. FRENCH].

Mr. GOSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GOSS. I understood the gentleman from Texas to move to strike out the enacting clause and I objected to his unanimous-consent request to withdraw it.

The CHAIRMAN. The Chair stated objection was heard. The gentleman from Idaho is recognized for five minutes in opposition to the motion of the gentleman from Texas.

Mr. FRENCH. Mr. Chairman, I am opposed to the amendment offered by the gentleman from Texas because it would prevent this House from voting upon a program that means retrenchment; that means reduction of the expenses of our Government by some \$200,000,000.

One week ago last Monday the gentleman from New York [Mr. O'CONNOR], who offered the amendment to increase the exemption from \$1,000 to \$2,000, the gentleman from Illinois [Mr. BRITTEN], who offered the amendment increasing the exemption to \$2,500, the gentleman from Missouri [Mr. COCHRAN], and the gentleman from Minnesota [Mr. MAAS], all of whom have spoken against the reduction in any degree of salaries of \$2,000 or \$2,500, voted to concur in the Senate amendments to the Interior Department appropriation bill, which had the effect not of reducing salaries moderately but of striking from the roll of the Government 723 permanent and 1,645 temporary employees of the Interior Department. These gentlemen have made pleas for the man whose salary is about to be reduced. Is it not better to reduce the salaries of all in moderate degree, as we propose here, than to eliminate 2,500 employees from the privilege of drawing any salary whatever under the Interior Department bill? [Applause.]

The difference between the program recommended by the Economy Committee, saving \$67,000,000 through the amendments which they have proposed, and the amount that would be saved if the amendments of the gentleman from New York or the amendment of the gentleman from Illinois were to prevail, is something like \$50,000,000.

Gentlemen, if we are going to have regard in one day for what we have done the day before or the week before, we ought not to pass these amendments proposed by the gentleman from New York and the gentleman from Illinois [applause], because if we defeat them and pass the bill providing either for the 11 per cent reduction or the furlough plan, the Interior Department will be able to go forward during the coming year doing the great work that it ought to do and employing the 723 men who are on permanent rolls and the 1,645 men on temporary rolls. This is the only way that has been presented up to this good hour under which we may allow these men with their families to be protected in the positions which they hold. [Applause.]

The CHAIRMAN. The question is on the adoption of the amendment of the gentleman from Texas to strike out the enacting clause.

The motion was rejected.

The CHAIRMAN. The question is on the adoption of the substitute amendment offered by the gentleman from Illinois.

The question was taken; and Mr. BRITTEN asked for a division.

Mr. BANKHEAD. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. DOUGLAS of Arizona and Mr. BRITTEN.

The committee divided; and the tellers reported that there were—ayes 173, noes 148.

So the substitute was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York as amended by the substitute just adopted.

The question was taken, and a division was demanded by Mr. STAFFORD.

Mr. CONNERY. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. DOUGLAS of Arizona and Mr. O'Connor.

The committee divided; and the tellers reported that there were—ayes 184, noes 93.

So the amendment as amended by the substitute was agreed to.

Mr. McCORMACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: On page 4, strike out lines 13 and following down to and through line 4, on page 5.

Mr. McCORMACK. Mr. Chairman, the amendment which I have offered strikes out of the bill section 105, which relates to the Saturday half-holiday bill that we passed in 1931, and also relates to the 44-hour bill passed in 1931 with reference to those in the Postal Service.

All of you remember the debate on these two bills and remember the circumstances under which they passed the House. At that time the late Speaker, our late distinguished colleague, Nicholas Longworth, who has passed to the Great Beyond, rendered every possible assistance to Mr. KENDALL and the Post Office Committee in the passage of the 44-hour week bill, and also recognized the gentleman from New Jersey [Mr. LEHLBACH] for the purpose of submitting for the consideration of the House the Saturday half-holiday bill, which I had introduced, affecting all Federal employees other than those in the Postal Service.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. LaGUARDIA. Does it not seem rather inconsistent that while we are talking about a 5-day week and pretending to be for a 5-day week, we find here a provision abolishing the half-holiday provision that was recently enacted into law?

Mr. McCORMACK. Absolutely. For over 100 years mankind and, particularly the working men of America, have been striving for a work week which would be consistent, not only with the health of the individual worker but with the best interests of society. Private employers have recognized that times are changing, and have recognized the fact that the worker is entitled to consideration. They recognized this long before the Federal Government gave such recognition to its employees in 1931.

For many years prior to the passage of these two bills legislation had been introduced for the purpose of giving to those in the Federal service a Saturday half holiday, something that practically all the private employees had been given years previous.

Mr. DYER. Will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. DYER. The gentleman knows that the postal employees were for years and years seeking to secure this humane legislation, which finally became law, and has only been in operation a little over one year.

Mr. McCORMACK. Certainly, and we now see the Economy Committee—and I appreciate the situation that confronts the members—trying to take a step backward. This is nothing but turning back the pages of time. We have gone by the time when men worked six days a week. We have gone by not only so far as the public employees are concerned but also as to employees of private business. We are now approaching the day when of necessity we will have a 5-day work week, necessary as a means of circumscribing the evils that have arisen as the result of the substitution of machinery for human labor.

It is recognized that machinery is being so extensively and intensively used in industry that 2,000,000 workers have been displaced thereby to date. It is recognized that by 1940, unless something is done to regulate this evil, that those who are removed from employment as a result of the use of machinery will approximate 4,000,000 workers throughout the country.

Instead of considering a return, even though temporary, of the full 6-day work week for Federal employees, we should be considering the 5-day work week, due to the changed economic conditions resulting from the machine era that envelopes us. In any event, to return to the 6-day work week is a step backward and has no place, even in an economy program. My amendment should be adopted.

[Here the gavel fell.]

Mr. McCORMACK. I wish to include in my remarks, for the information of the House, some observations on the subject of Saturday half holidays prepared by Thomas F. Flaherty, secretary-treasurer of the National Federation of Post Office Clerks, who has given this important economic problem close thought. His observations are worthy of the deepest consideration:

We know that we have the power to produce in this country all the necessities and comforts required to enable every American to maintain a reasonable scale of living. We are not doing it because so many do not have the purchasing power to secure those products.

The only way to restore that purchasing power is through jobs. And the way to make jobs for more men is to cut the working hours of those engaged in production to the point where consumption will balance production.

The great task is to start the upward spiral toward genuine prosperity. That is done by giving employment to workers who have been idle. That newly employed man spends his wages with retail dealers for the things he needs for himself and family. The dealers buy more goods from the wholesalers, who in turn buy more goods from manufacturers. They hire more workers to produce the goods. This means the purchase of more raw materials, which takes more labor to produce and more men and women to pack and ship. Freight-car loadings increase, which means more men on the railroads, more clerks to keep records. All these people with jobs have money to spend on food and clothes and other necessities and comforts. As they spend they increase the demand, giving employment to more and more workers.

Every additional worker required by shortening hours, under our present system of mass production, automatically becomes a force to start this upward spiral and keep it in motion.

Shorter working hours means additional leisure, and this is an important factor in balancing production and consumption.

The committee on recent economic changes, which was headed by President Hoover, then Secretary of Commerce, made a valuable report covering many features of the present industrial system.

Walter F. Brown, now Postmaster General, was second man on this committee, and without doubt aided in the preparation of the report and agreed to its conclusions.

Here is one statement from that report which bears directly on this great question of shorter working hours in the Postal Service and in industry as a whole:

"Closely related to the increased rate of production-consumption of products is the consumption of leisure.

"It was during the period covered by the survey that the conception of leisure as 'consumable' began to be realized upon in business in a practical way and on a broad scale. It began to be recognized not only that leisure is 'consumable,' but that people can not 'consume' leisure without consuming goods and services, and that leisure which results from an increasing man-hour productivity helps to create new needs and new and broader markets.

"During the period covered by the survey the trend toward increased leisure received a considerable impetus. The work week was shortened in the factory by better planning and modern machinery, and the work day was shortened in the home by the increased use of time and labor saving appliances and services.

"Few of the current economic developments have made such widespread changes in our national life or promise so much for the future as the utilization of our increasing leisure.

"VIEWS OF THE DIRECTOR OF THE BUDGET, H. M. LORD

"General Lord, known as a watchdog of the Treasury, made this complimentary reference to the economies in the Postal Service:

"During the Budget period prodigious economies have been effected by the Postal Service. For instance, revenues at first and second class post offices increased from \$404,000,000 in 1921 to \$632,000,000 in 1928, a rise of more than 55 per cent. That meant an increase of 55 per cent in work, too. The clerical man power to take care of this increase rose from 66,789 in 1921 to 77,901 in 1928, an increase of less than 17 per cent.

"Fifty-five per cent increase in business handled by a 17 per cent increase in personnel is a pretty good record, it seems to me, a record some of our big private institutions would be glad to make."

"The following statement was made by the representative of the department, the late W. R. Spillman, superintendent of Postal Service Division, before the Appropriations Committee considering the 1930 Post Office appropriation bill:

"Let me call attention to the fact that in 1921 the man power per each \$1,000,000 of revenue was 165 men, working eight hours a day. The man power for \$1,000,000 of revenue has steadily decreased until 1927, when only 126 men of eight hours a day were employed. The same number were employed in 1928, when the revenues increased only 1.91 per cent over 1927. Further, the number of additional regular clerks employed in 1928 is only 1.62 per cent over the number employed in 1927, as compared with increases in 1925 of 2.99 per cent, in 1926, 3.07 per cent, and in 1927, 2.44 per cent."

V. QUOTATIONS FROM AUTHORITIES ON THE VALUE OF SHORTER HOURS

John J. Raskob, former chairman of the finance committee of the General Motors Corporation and of the Democratic National Committee, referring to the 5-day week, states:

"The knowledge that he had two days out of seven in which to enjoy life and family companionship would make every ambitious worker in the land more efficient. But, in addition, modern machinery, methods, and power have already developed a vast margin of unused production capacity, and there is literally no limit at present to be foreseen to further progress in this direction. In other words, America is in shape to produce in five days all she can consume in seven, with a lot left over for export. That being so, the 5-day week, in my judgment, should become the rule in America with as little delay as possible." (Quoted in the Literary Digest, November 16, 1929.)

Thomas A. Edison: "If for no other reason than that it would prevent overproduction * * *, the hours of labor should be reduced to not more than eight per day and not more than five days a week." (The Typographical Journal, August, 1929.)

Irving Fisher, professor Yale University: "In order to avoid economic disaster in our Nation, there should not be more than a 6-hour day and a 5-day work week for labor." (The Typographical Journal, August, 1929.)

Morris L. Cooke, noted engineer: "There is no longer any difference of opinion among those who are well-intentioned and competent as to the value of shortening the hours of labor both as an aid to production and for its effect on the standard of living." (The Typographical Journal, August, 1929.)

Charles S. Meyers, industrial psychologist: "In certain occupations evidence has been brought forward to prove that the greatest hourly rate of output generally occurs during a 44-hour working week, and that it diminishes not only when the weekly hours are more, but also when they are less than this." (The Typographical Journal, August, 1929.)

J. Douglas Brown, director, industrial relations section, Princeton University: "As a means of safeguarding the health of the worker in high-pressure industries or assuring greater regularity in seasonal industries it (the 5-day week) is a logical solution of a serious problem." (The Typographical Journal, August, 1929.)

Elliot Dunlap Smith, professor industrial engineering, Yale University: "We should not criticize but applaud the American Federation of Labor in their 'spiritual opportunism,' if you want to call it that—in substituting the quest of leisure with what it may bring in education, in intellectual, spiritual, and artistic appreciation, and in a chance to live—in substituting the quest of leisure for the quest of money, of the opportunity to buy more cars, more radios, or whatever money may buy. Under our present industrial methods it is primarily from the wholesome use of leisure throughout life that an old age for workmen that is truly worth while can come. Our task as managers in this regard, as it is in the shop, is that of leadership; it is the task of giving an example of how leisure can be happily, wholesomely, and constructively employed to enrich living and make better men." (The Typographical Journal, August, 1929.)

F. L. Sweetser, general manager Dutchess Manufacturing Co., Poughkeepsie, N. Y.: "In our factory we have not found it impossible to get the same wages per week and the same production per week on a 5-day week or a 39-hour week—sometimes on a 7-hour or a 7½-hour day—as we have on longer hours and more days. * * * I believe thoroughly that industry would be better off if everyone had more leisure * * *." (Bulletin of the Taylor Society, December, 1928, p. 244.)

George B. Cutten, president of Colgate University: "The 5-day week is just around the corner, and it does not take a very powerful telescope to give us a glimpse of the 5-hour day.

"Machines are not only turning out countless numbers of pins, bolts, fabrics, and shoes; they are not only grinding out profits for employers and wages for employees, but just as surely they are producing leisure for everyone. It is as though each person, compared with those living a century ago, had 20 or 30 servants working for him. With all these servants leisure is inevitable.

"During the last 50 years the week's work has been shortened from 72 hours to 40, and the next 50 years may see it cut down to 20. A half-day's work on Saturday has been common for years, and now even that is disappearing." (New York Times Magazine, September 9, 1928.)

Gen. J. Leslie Kincaid, president of the American Hotels Corporation, predicted recently that if two successive days of rest each week became the general rule, tourist hotels could look forward to a \$500,000,000 annual increase in business. He bases these figures, he said, on increases in two and three day business already experienced through establishment of the 5-day week in many trades and in department stores in the summer months." (Trades Union News, September 12, 1929.)

The rapid growth and wide extension of the shorter day on Saturday, both in private and public establishments, make it both just and feasible to grant the same conditions to the clerks. This is especially emphasized by the predominant practice of closing offices and releasing office employees on Saturday afternoon, since it is with the work of offices that the Postal Service is most closely connected.

The authority of large employers, economists, and specialists in health is quoted, not merely in favor of shorter hours on Saturday, but the 5-day week, which is now enjoyed by nearly 1,000,000 workers in the United States. The Government of the United States can scarcely demand a full day's work on Saturday when so many enlightened employers have gone so far as to do away with Saturday work entirely.

PRODUCTIVITY OF POST-OFFICE CLERKS

The productivity of both post-office clerks and railway-mail clerks has advanced, through their own efforts, to a reasonable extent since before the war, and has thus helped to keep postal expenses down. This advance should be recognized and encouraged by shorter working hours, as similar advances have been in private industry, even when the increase in productivity resulted from machinery rather than from individual competence.

We can measure the productivity of the post-office clerks by comparing the growth in the amount of mail matter they have to handle with the growth in their numbers. The amount of mail matter may be roughly estimated from the postal receipts. Indeed, the actual amount of mail has probably grown somewhat

more rapidly than the receipts, since there have been no permanent increases in rates since 1914, but a number of reductions, and, of course, the receipts do not indicate the increase of franked and other free service.

* * * while postal revenues rose 142 per cent between 1914 and 1929, the number of post-office clerks in first and second class offices increased only 87 per cent. The revenues per clerk grew, in this period, 30 per cent. * * * while receipts per post office increased 28 per cent from 1914 to 1929, the average number of clerks per first and second class post office has shown no increase but rather a slight decline from an average of 15.4 in 1914 to 15.2 in 1929. This is indeed a remarkable showing of growth in efficiency.

Mr. WOOD of Indiana. Mr. Chairman and members of the committee, by the vote just taken this body has added \$57,000,000 to the burden of the taxpayers of the United States. It is estimated that we have a population of 126,000,000 people in the United States. We have at present on the Federal pay roll 1 for every 100 people in the United States. The question is, Are we here legislating for the people of the United States or are we here legislating for the Federal employees?

Four times during and since the war we have raised the salary of the Federal employees because of the high cost of living.

Now, the cost of living has gone down, and we are confronted with the demand to keep up the same salaries.

Gentlemen say that we are setting a precedent. They seem to think that we are acting under ordinary conditions and circumstances. We are in an emergency of the worst kind. I have no respect, but an utter disregard for any man or woman who is on the Federal pay roll who has not patriotism enough to contribute a little to this deficit in our Treasury.

We had before the Economy Committee certain gentlemen representing the Federal Bar Association, who came to us arguing against any sort of a cut. They never have practiced law one single minute. They commenced here, they got their schooling by means of a clerkship, and advanced to places with a salary up to \$7,500 a year, and yet they were not willing to contribute one cent to the Government that had educated them.

I say to you gentlemen that this is not involving simply a cut in salary, but it is involving the employment of thousands of men and women. I want to say that unless the program adopted by the committee is adopted by the Congress there are going to be 100,000 employees of the United States turned out of employment. It is supremely selfish in those who are insisting that we should maintain the present basis of salary, for the reason that if you adopt the 11 per cent cut it means turning out 100,000 people.

Adopt the suggestion of the committee of 11 per cent, or adopt the plan suggested by the administration, and there will be no occasion for anybody to be turned out of employment. You who are appealing here that unemployment be diminished and that those who have employment be kept in their places would better vote for either the 11 per cent proposed by the committee or for the plan suggested by the administration. To my mind there is no excuse for any one to suggest that we ought to maintain the present rate of wages with reference to Federal employees, when the employees of every corporation and company in the country with a very few exceptions have been reduced and reduced again, and will be reduced further perhaps. What a spectacle it is for a man who is working on the outside, whose wages have been reduced, once, twice, thrice, to realize that the Federal Government is favoring a class and keeping up their wages while his is being cut and cut again. That is what is causing trouble in this country to-day, and the taxpayer is getting woefully tired of it.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. BYRNS. Mr. Chairman, we have heard a great deal in the last month or six weeks about balancing the Budget. There is no one who is not firmly convinced that the more quickly we balance the Budget and get on a pay-as-you-go basis the more quickly we can expect a return of prosperity. Every man and woman in this country must realize that if

we are to balance our Budget and take care of the overwhelming deficit which confronts the Government each one must be willing to make some sacrifice. I have too much confidence in the employees of the Federal Government to believe that they are unwilling to bear a reasonable proportion of the sacrifice necessary in behalf of the Government which protects them and the people of the United States. [Applause.] I believe that the employees of this Government, I hope with very few exceptions, are patriotic enough and love their country enough to make a sacrifice, small as it is, for just a period of one year. Do not forget that you are not permanently reducing anybody's salary. You are not taking away this half holiday from the employees of this Government permanently. You are only saying that for the period of one year beginning on June 30 we will all make some sacrifice in order to relieve the country which is in a worse condition to-day, financially, than it was during the war.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Not now.

Mr. MARTIN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. This country is in a worse financial condition to-day than it has ever been during any war, and it behooves you and it behooves me, representing people who have to pay the taxes and meet the expenses of this Government, to remember that they are to be taken into consideration this evening while we are legislating on this subject.

I do not favor either one of the two major propositions that have been presented. I believe, and I can not get it out of my head, that it would be eminently fairer to begin, say, at \$2,000, at a 5 per cent cut and increase upward until you have reached the salaries of \$10,000 and above, when if I had my way I would take 20 per cent. [Applause.]

I believe that the higher the salary the greater the percentage of cut ought to be. I had an amendment to offer, but in view of the action of the committee a while ago, of course I shall not present it; but I say that the people back home to-night are watching you and watching me as to what we do here. And the people back home are going to hold you and are going to hold me responsible for what we do here. I am not criticizing anybody, I am not undertaking to lecture anybody, but I do appeal in the name of the citizenry back in the country and in the cities and towns, who is not heard here except through you and me. By your vote you have taken from this bill presented by the Economy Committee \$55,000,000 of the savings which were contemplated. Let us think of the people and the taxpayers, who must bear the expense of government. They are entitled to chief consideration. [Applause.]

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. LA GUARDIA. Mr. Chairman, I rise in opposition to the pro forma amendment. The statement just made by the gentleman from Tennessee [Mr. BYRNS] might be well applicable to the whole subject matter of economy, but the immediate proposition before the House is an amendment eliminating section 105 from the bill. Section 105 suspends the operations and benefits of the act of March 3, 1931, known as the Saturday half holiday for certain Government employees. Permit me to state to the gentleman from Tennessee that I quite agree with him that back home to-night the people's eyes are directed toward Washington to see what we are doing, and I am certain that they are praying that we are looking forward and endeavoring to bring the American people up and not drag them down. [Applause.]

At this time, after 50 years of struggle and suffering of organized labor, we have succeeded in bringing about the beginning of a 5-day week. So well has this beginning been inaugurated that the President of the United States—not once, not twice, not three times or four times, but repeatedly—has urged upon industry and upon commerce that in this machine age the only hope of the American people is to go to a 5-day week. How can we, in the face of our

experience about getting a 5-day week, sit here this evening and repeal the 44-hour week? It is inconsistent; it is ridiculous; and there is no sense to it. We have learned something about economics in the last few years. We have learned that the purchasing power and the consumption of our products rests not with a few people of large income but with the masses, the workers of the country.

We have learned that time for play, time for recreation and study and rest and travel creates a demand for new products and consequently more employment. We have learned that the quickest turnover and the quickest medium of circulation is the money paid in salaries and wages.

I submit, Mr. Chairman, that we dare not, we can not, if we want to be patriotic, go back to the days of 1890, when the appeal was made to the working man "we are going to give you a full dinner pail." There is more than a full dinner pail involved here. It is the very future, the happiness, the self-respect of the working people of this country. It is not only the Government employee that is involved. That is a mistake. It is the standards of labor and the wage scale which we establish here that is so important.

A few moments ago the gentleman from Alabama [Mr. McDUFFIE] stated that \$1,300,000,000 of the total Budget went into pay rolls. True, but let us analyze that \$1,300,000,000. Two hundred and fifty-nine million dollars of that goes for the pay roll of the Army and Navy, and that does not include rations, housing, and keep which is in addition to the pay of the Army and Navy. Five hundred and seventy million dollars goes for the pay roll of the post office, which, as far as personnel is concerned, is self-supporting. How can one run an enterprise with a revenue of \$800,000,000 annually without several thousand employees and a large pay roll? Therefore, if we subtract the pay roll of the post office, which is self-supporting, and the Army and Navy, which it is not contemplated to be reduced here, it will be seen that all this noise, all this hysteria is based on a pay roll of \$500,000,000 for a nation of 126,000,000 people—yes; the richest nation in the world, and we are not broke yet, because we will not let the bankers take all of the money of the American people and send it to South America and to Europe. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SWEENEY. Mr. Chairman, I ask the indulgence of the House for a moment while I call to this body a witness who, I believe, if he is sincere and has not changed his mind since October 2, 1930, is opposed to a reduction of the American standard of living. I call before you the President of the United States. On October 2, 1930, the President addressed the fifty-sixth annual convention of the American bankers at Cleveland, Ohio. You will recall the occasion when, prior to the President's appearance before this distinguished group of bankers, a resolution was prepared for adoption declaring for a radical reduction in the American standard of living by way of a reduction in wages. Through the press of the Nation President Hoover learned of the proposed resolution. It was rumored that en route from Washington to Cleveland the President changed the text of his prepared speech to censor and condemn the contemplated action of the bankers' fraternity of the Nation. This is what he said in part on that occasion:

It appears from the press that some one suggested in your discussion that our American standards of living should be lowered. To that I emphatically disagree. I do not believe it represents the views of this association. Not only do I not accept such a theory but on the contrary, the whole purpose and ideal of this economic system, which is distinctive of our country, is to increase the standard of living by the adoption and the constantly widening diffusion of invention and discovery amongst the whole of our people. Any retreat from our American philosophy of constantly increasing standards of living becomes a retreat into perpetual unemployment and the acceptance of a cesspool of poverty for some large part of our people.

Our economic system is but an instrument of the social advancement of the American people. It is an instrument by which we add to the security and richness of life of every individual. It by no means comprises the whole purpose of life, but it is the foundation upon which can be built the finer things of the spirit. Increase in enrichment must be the objective of the Nation, not decrease.

To attempt to balance the national Budget by reducing the wages and depriving hundreds of thousands of Government employees of fixed priority rights secured by long years of faithful service certainly is a lowering of the standard of living, in my opinion. It is not in keeping with the philosophy and sentiments expressed by the President in the meeting to which I have just referred.

What has happened since October 2, 1930, that caused the President of the United States to do a right-about-face on this proposition and recommend to this body a furlough plan, which means a substantial reduction in wages and is equally as vicious, if not more vicious, than the McDuffie plan which you have now under consideration? Has the cost of living materially decreased to justify this course? I think that it is only fair to state that you pay just as much to-day for a suit of clothes, for house rent, medicines, food, baby's shoes, and all other forms of necessities as you did October 2, 1930, when the Chief Executive declared against a reduction in wages.

A few hours ago the chairman of the Economy Committee [Mr. McDUFFIE] told the Members of this body that—

Men and women are marching almost in mob formation upon courthouses, upon capitols of the States, demanding that the cost of government be brought down.

Let me say to the distinguished chairman of the Economy Committee that many thousands of Federal employees, the class who would be affected by this wage cut, the class that you are striking at to-day by attempting to reduce their standard of living, will soon augment the vast army of our people who daily visit the courthouses of their respective districts to witness their little homes sold at foreclosures and their equities destroyed. Many of these families have lost their life-savings in defunct banks and building-loan associations during the past few years.

Great number of Federal employees are now carrying the burden of supporting others besides their immediate family. In my opinion it is vicious and cruel to resort to this sort of economy.

Mr. McDUFFIE. Will the gentleman yield?

Mr. SWEENEY. I yield.

Mr. McDUFFIE. The gentleman is from the great city of Cleveland?

Mr. SWEENEY. Yes.

Mr. McDUFFIE. Does the gentleman know that his own city has cut salaries and reduced expenses?

Mr. SWEENEY. I know that. It is principally due to the fact that the limitation on the bonded indebtedness of our city is fixed by State law; and, in addition, because we are confronted with an abnormal relief problem necessitated by reason of the Hoover prosperity we are experiencing. That is no reason why those now receiving a living wage from the Government should be reduced at this time.

Mr. KVALE. Will the gentleman yield?

Mr. SWEENEY. I yield.

Mr. KVALE. The report also states that the city of Minneapolis has reduced its wages. I will say for the information of the House that the mayor of the city of Minneapolis has wired the Economy Committee urging that no pay reductions be made for Federal employees at this time, and the city of Minneapolis has refused to make reductions at this time.

Mr. SWEENEY. I think that is the sentiment all over the country. [Applause.]

Mr. Chairman, let us be courageous enough to refrain from doing injury to a class of workers who are helpless to defend themselves against such action as we propose to-day. Those of you who voted for a moratorium for European nations and financial assistance for the banks, railroads, and insurance companies will have a hard time explaining to your constituents your vote in favor of this feature of the economy plan by reducing wages in an attempt to balance the Budget. Those of you who refused to modify existing law to permit beer and light wines, thereby securing to the Government hundreds of millions of dollars of revenue annually, will have a hard time explaining your vote in favor of wage reduction of Federal employees.

The Government should set and maintain a standard-of-living wage for the employees of the Nation. If that is done, industry will be more likely to measure up in a degree to a standard set by the Government. If it is not done, industry will be encouraged to a wholesale and promiscuous reduction of wages without regard to the justice or necessity of the course taken.

Let me say to my Democratic colleagues of this House that, in my opinion, it is not necessary for you to assume for the people of the Nation that you have the burden of balancing the Budget. The created deficit complained of is not of your making. It is the result of mismanagement and maladministration of Government affairs, and the lavish and in many cases unnecessary expenditure of public moneys by the administrations in power in our national affairs during the past 10 years.

A disorganized leadership trying to solve the problem of Federal economy presents a disastrous and sad spectacle when it attempts to resort to wage decreases. The problem can be solved by an income tax in the higher brackets, increased inheritance and gift taxes, revenues obtainable from a Federal tax on beer and light wines, and by the elimination of useless boards, bureaus, and commissions. These measures will go a long way toward balancing the National Budget, if it must be balanced, and obviate the necessity of lowering the standard of living of the American wage earners, which is and should be the best in the entire world.

Mr. DYER. Mr. Chairman, I make the point of order that all time for debate on this amendment has expired.

Mr. McDUFFIE. Mr. Chairman, I move that the committee do now rise.

Mr. DYER. Mr. Chairman, I ask for the regular order.

The CHAIRMAN. The regular order is that the gentleman from Alabama has moved that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. RAINEY, Speaker pro tempore, having assumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 11267, the legislative appropriation bill, had come to no resolution thereon.

ADJOURNMENT

Mr. McDUFFIE. Mr. Speaker, I ask unanimous consent that when the House adjourns to-night it adjourn to meet at 11 o'clock to-morrow.

Mr. BRITTEN and Mr. SIROVICH objected.

Mr. McDUFFIE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 15 minutes p. m.) the House adjourned until to-morrow, Thursday, April 28, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Thursday, April 28, 1932, as reported to the floor leader by clerks of the several committees:

WAYS AND MEANS

(10 a. m.)

Continue hearings on soldiers' bonus.

LABOR

(10 a. m.)

Labor, wages, public buildings (S. 3847).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

545. A letter from the chairman of the United States Shipping Board, transmitting an analysis of a special report of the Comptroller General of the United States of the financial transactions of the United States Shipping Board Merchant Fleet Corporation dealing with matters arising in the audit of the accounts, which report was printed as House Docu-

ment No. 217, Seventy-second Congress, first session (H. Doc. No. 321); to the Committee on Expenditures in the Executive Departments.

546. A letter from the Secretary of the Interior, transmitting a report on an accumulation of documents and abstract books on file in the Indian warehouses, at Chicago, Ill., St. Louis, Mo., and San Francisco, Calif., which have no permanent value or historical interest; to the Committee on Disposition of Useless Executive Papers.

547. A letter from the Acting Secretary of War, transmitting a draft of a bill to amend section 2 of an act approved February 25, 1929 (45 Stat. 1303), to complete the acquisition of land adjacent to Bolling Field, D. C., and for other purposes, for the consideration of the Congress with a view to its enactment into law; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. POU. Committee on Rules. H. Res. 195. A resolution relative to the concurrence of the House in the Senate amendment to H. R. 6662; without amendment (Rept. No. 1135). Referred to the House Calendar.

Mr. EVANS of Montana: Committee on the Public Lands. H. R. 10926. A bill to authorize conveyance to the United States of certain lands in the State of Arizona for use of the United States in maintaining air-navigation facilities, and for other purposes; without amendment (Rept. No. 1136). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 10238. A bill creating a reimbursable fund to be used for special medical and surgical work among the Indians of the Fort Peck Indian Reservation, Mont., and for other purposes; with amendment (Rept. No. 1141). Referred to the Committee of the Whole House on the state of the Union.

Mr. COOPER of Tennessee: Committee on World War Veterans' Legislation. H. R. 8173. A bill to provide for the renewal of 5-year level premium term Government insurance policies for an additional 5-year period without medical examination; without amendment (Rept. No. 1144). Referred to the Committee of the Whole House on the state of the Union.

Mr. EATON of Colorado: Committee on the Public Lands. H. R. 11639. A bill to authorize extensions of time on oil and gas prospecting permits, and for other purposes; without amendment (Rept. No. 1145). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PITTENGER: Committee on Claims. H. R. 3694. A bill for the relief of Ada B. (Gould) Gollan; with amendment (Rept. No. 1137). Referred to the Committee of the Whole House.

Mr. EVANS of Montana: Committee on the Public Lands. H. R. 10048. A bill granting to the metropolitan water district of southern California certain public and reserved lands of the United States in the counties of Los Angeles, Riverside, and San Bernardino, in the State of California; without amendment (Rept. No. 1138). Referred to the Committee of the Whole House.

Mr. EVANS of Montana: Committee on the Public Lands. S. 2144. An act authorizing the Secretary of the Interior to grant a patent to certain lands to Charles R. Thornton; without amendment (Rept. No. 1139). Referred to the Committee of the Whole House.

Mr. ARENTZ: Committee on the Public Lands. S. 3154. An act authorizing the conveyance of certain lands to the city of Fallon, Nev.; without amendment (Rept. No. 1140). Referred to the Committee of the Whole House.

Mr. PETTENGILL: Committee on Military Affairs. H. R. 5769. A bill authorizing the President of the United States to present in the name of Congress a medal of honor to

Thomas H. Laird; with amendment (Rept. No. 1142). Referred to the Committee of the Whole House.

Mr. MARTIN of Oregon: Committee on War Claims. H. R. 9915. A bill to confer jurisdiction upon the Court of Claims of the United States to hear, adjudicate, and enter judgment on the claim of William W. McElrath against the United States for compensation for the use or manufacture of an invention of William W. McElrath covered by reissue letters patent issued by the Patent Office of the United States on the 19th day of February, 1924; without amendment (Rept. No. 1143). Referred to the Committee of the Whole House.

Mr. COLTON: Committee on the Public Lands. H. R. 10756. A bill for the relief of Clive Sprouse and Robert F. Moore; without amendment (Rept. No. 1146). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RAYBURN: A bill (H. R. 11642) to amend sections 15a and 19a of the interstate commerce act, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 11643) to amend section 5 of the interstate commerce act, as amended, relating to the consolidation and acquisition of control of carriers by railroad, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLCOTT: A bill (H. R. 11644) to amend the act entitled "An act creating the Great Lakes Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the St. Clair River at or near Port Huron, Mich."; to the Committee on Interstate and Foreign Commerce.

By Mr. BLACK: A bill (H. R. 11672) to amend section 3702, Revised Statutes; to the Committee on Expenditures in the Executive Departments.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOWMAN: A bill (H. R. 11645) granting a pension to Alma Miller; to the Committee on Pensions.

By Mr. BYRNS: A bill (H. R. 11646) granting a pension to Jennie Washington; to the Committee on Invalid Pensions.

By Mr. CARTER of California: A bill (H. R. 11647) granting a pension to Ada Patrick; to the Committee on Invalid Pensions.

By Mr. CRAIL: A bill (H. R. 11648) for the relief of Fred Everett Shaffer; to the Committee on Naval Affairs.

Also, a bill (H. R. 11649) for the relief of Charles G. Lamert; to the Committee on Military Affairs.

By Mr. ERK: A bill (H. R. 11650) for the relief of Cora B. Nebel; to the Committee on Claims.

By Mr. GARBER: A bill (H. R. 11651) for the relief of David S. Viers, jr.; to the Committee on Military Affairs.

By Mr. GRANFIELD: A bill (H. R. 11652) for the relief of John E. Springer; to the Committee on the Civil Service.

Also, a bill (H. R. 11653) authorizing the President to order Charles Southgate, jr., before a retiring board for a hearing of his case and upon the findings of such board to determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his discharge; to the Committee on Military Affairs.

By Mr. HAINES: A bill (H. R. 11654) granting an increase of pension to Elizabeth Knisly; to the Committee on Invalid Pensions.

By Mr. HAUGEN: A bill (H. R. 11655) granting an increase of pension to Ameda Holcomb; to the Committee on Invalid Pensions.

By Mr. HILL of Washington: A bill (H. R. 11656) granting a pension to Laura M. Brewer; to the Committee on Invalid Pensions.

By Mr. HERR: A bill (H. R. 11657) for the relief of Leo W. Hurley; to the Committee on Military Affairs.

By Mr. KOPP: A bill (H. R. 11658) to extend the benefits of the employees' compensation act of September 7, 1916, to John R. Kelly; to the Committee on Claims.

By Mr. LEAVITT: A bill (H. R. 11659) authorizing the exchange of certain patented lands; to the Committee on Indian Affairs.

By Mr. LINDSAY: A bill (H. R. 11660) for the relief of Francis Henry Schmuck; to the Committee on Naval Affairs.

By Mr. MURPHY: A bill (H. R. 11661) granting an increase of pension to Emma J. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11662) granting a pension to Catherine Eidenier; to the Committee on Invalid Pensions.

By Mr. NELSON of Missouri: A bill (H. R. 11663) granting a pension to Mary Jane Whitaker; to the Committee on Invalid Pensions.

By Mr. PALMISANO: A bill (H. R. 11664) granting a pension to Lucy Pierce; to the Committee on Invalid Pensions.

By Mr. SANDERS of New York: A bill (H. R. 11665) granting an increase of pension to Ida E. Stanton; to the Committee on Invalid Pensions.

By Mr. WEST: A bill (H. R. 11666) granting an increase of pension to Adaline McAnaney; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11667) granting an increase of pension to Kate L. Scarbrough; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11668) granting an increase of pension to Ruth A. Schooley; to the Committee on Invalid Pensions.

By Mr. WITHROW: A bill (H. R. 11669) granting a pension to Mary Adams; to the Committee on Invalid Pensions.

By Mr. WOLCOTT: A bill (H. R. 11670) granting a pension to Anna Lovejoy; to the Committee on Invalid Pensions.

By Mr. HOPKINS: A bill (H. R. 11671) for the relief of Herman William Sidenfaden; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7098. By Mr. BOYLAN: Resolution passed by the New York Department of the Reserve Officers' Association of the United States at Albany, N. Y., opposing any reduction in military appropriations; to the Committee on Appropriations.

7099. By Mr. CORNING: Resolution adopted by the Common Council of the City of Troy, N. Y., indorsing the proposed parade by Mayor Walker of the city of New York throughout the Nation on May 14 in connection with the drive to permit the manufacture and sale of beer; to the Committee on the Judiciary.

7100. By Mr. CRAIL: Petition of several citizens of Los Angeles County, Calif., protesting against the passage of the Davis-Kelly bill; to the Committee on Interstate and Foreign Commerce.

7101. Also, petition of Frederick Ries, of Los Angeles County, Calif., protesting against the economy measure which would stop the granting of war-risk insurance claims; to the Committee on Economy.

7102. By Mr. CURRY: Petition of directors of Sacramento Chamber of Commerce, favoring the repeal of the recapture clause of the transportation act; to the Committee on Interstate and Foreign Commerce.

7103. By Mr. DAVIS: Petition from Charles E. Price Post of the American Legion of Smith County, Tenn., favoring cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

7104. Also, petition from Buford Clark Post, No. 129, American Legion, Gainesboro, Tenn., favoring cash payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

7105. Also, petition from Gold Star Post, No. 78, American Legion, Manchester, Tenn., favoring cash payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

7106. Also, petition from Post No. 5 of the American Legion, Nashville, Tenn., favoring cash payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

7107. Also, petition from Stone Fort Post, No. 2120, Veterans of Foreign Wars, Manchester, Tenn., favoring cash payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

7108. Also, petition of World War veterans of Cannon County, Tenn., favoring cash payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

7109. Also, petition of World War veterans of Clay County, Tenn., favoring cash payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

7110. Also, petition from Cookeville Post, No. 46, of the American Legion, Cookeville, Tenn., favoring passage of the widows and orphans' bill, cash payment in full of the adjusted-service certificates, and extension of the time for bringing suit for recovery on war-risk-insurance policies; to the Committee on Ways and Means.

7111. Also, petition from Mark Twain Post, American Legion, Jamestown, Tenn., favoring cash payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

7112. Also, petition from World War veterans of Flintville, Tenn., favoring cash payment in full of the adjusted-compensation certificates; to the Committee on Ways and Means.

7113. Also, petition from Warren Post, No. 173, of the American Legion, McMinnville, Tenn., favoring cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

7114. By Mr. FITZPATRICK: Petition signed by a number of residents of Bronx County, New York City, N. Y., urging the full immediate payment of the balance due on the World War adjusted-service certificates; to the Committee on Ways and Means.

7115. By Mr. GOLDSBOROUGH: Petition of Worcester Post, No. 93, American Legion of Maryland, Pocomoke City, Md., favoring cash payment of the adjusted-compensation certificates; to the Committee on Ways and Means.

7116. Also, telegram from W. H. Thompson Post, No. 94, American Legion, Princess Anne, Md., favoring immediate cash payment of the bonus; to the Committee on Ways and Means.

7117. Also, resolution of the Frank M. Jarman Post, No. 36, American Legion, Chestertown, Md., opposing the payment at this time of the adjusted-service certificates in full; to the Committee on Ways and Means.

7118. Also, telegram from Caroline Post, No. 29, American Legion, Denton, Md., favoring the bonus bill; to the Committee on Ways and Means.

7119. Also, petition of merchants, veterans, and non-veterans, residents of Cecil County, Md., favoring immediate cash payment of the adjusted-service certificates; to the Committee on Ways and Means.

7120. Also, petition of Stanley Cochrane Post of the American Legion, Crisfield, Md., opposing any legislation which would repeal any provision of the World War veterans' act or any inclusion-of-needs clause which Legion has always opposed, and all amendments which in any way affect disabled, either in compensation or hospitalization; to the Committee on World War Veterans' Legislation.

7121. Also, petition of Wicomico Post, No. 64, American Legion, Salisbury, Md., opposing legislation which would repeal any provision of the World War veterans' act of any inclusion-of-needs clause which Legion has always opposed, and amendments which in any way affect adversely disabled either in compensation or hospitalization; to the Committee on World War Veterans' Legislation.

7122. Also, petition of membership (100 members) of Meuse Post, No. 194, Veterans of Foreign Wars, Salisbury, Md., favoring payment of the bonus; to the Committee on Ways and Means.

7123. Also, telegram from Dorchester Post, No. 91, American Legion, Cambridge, Md., opposing legislation which would repeal any provision of the World War veterans' act, or any inclusion-of-need clause which Legion has always opposed, and all amendments which in any way affect disabled veterans either in compensation or hospitalization; to the Committee on World War Veterans' Legislation.

7124. Also, telegram from the Worcester Post of the American Legion, Pocomoke City, Md., opposing modification of any provision of the veterans' act which in any way affects the disabled; to the Committee on World War Veterans' Legislation.

7125. Also, petition of veterans, nonveterans, and merchants of Perry Point, Md., favoring passage of House bill 1, granting full payment of the veterans' adjusted-compensation certificates; to the Committee on Ways and Means.

7126. By Mr. HADLEY: Petition of a number of residents of Deming, Wash., urging maintenance of the prohibition law and its enforcement; to the Committee on the Judiciary.

7127. By Mr. KENNEDY: Petition of New York State Hotel Association, urging repeal of the prohibition laws; to the Committee on the Judiciary.

7128. By Mr. LINDSAY: Petition of New York State Farm Bureau Federation, Ithaca, N. Y., favoring the passage of the Norbeck-Steagall bill; to the Committee on Banking and Currency.

7129. Also, petition of joint veterans' legislative committee, Veterans' Administration hospital, Whipple, Ariz., opposing reduction in allowances heretofore granted veterans disabled; to the Committee on Economy.

7130. By Mr. MURPHY: Petition of Ross Blake, of Adena, Ohio, and 350 other residents, asking for the passage of the Davis-Kelly bill, for the solution of the deplorable condition existing in the eastern Ohio coal fields; to the Committee on Interstate and Foreign Commerce.

7131. Also, petition of Daniel A. Murphy and 21 other residents of Mingo Junction, Ohio, asking for the passage of House bill 9891, in the interest of railway employees; to the Committee on Interstate and Foreign Commerce.

7132. Also, petition of Elmer Rothermond, adjutant American Legion Post, Martins Ferry, Ohio, protesting against a cut in benefits for World War disabled; to the Committee on Economy.

7133. By Mr. PATMAN: Petition of Clifford Cody Foye and 51 other disabled veterans of New Haven, Conn., indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

7134. Also, petition of United Veterans Association (Inc.), Baltimore, Md., submitted by Berry M. Brice, adjutant general of said association, urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

7135. Also, petition of L. A. Rentin and other citizens and veterans, Bellingham, Wash., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

7136. Also, petition of R. Reil and other citizens and veterans, Helena, Mont., urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

7137. Also, petition of M. K. Tyson and other veterans and citizens of Burlington, N. C., urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

7138. Also, petition of Charles M. Crosby and other citizens and veterans of Dayton, Ohio, urging immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

7139. Also, petition of Maj. H. Rodgers and other business men of Loveland, Tex., urging immediate payment of the

adjusted-service certificates; to the Committee on Ways and Means.

7140. Also, petition of American Legion Post No. 19, Somerville, Mass., submitted by William H. Prestley, adjutant of said post, urging immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

7141. Also, petition of American Legion Post No. 110, Nashville, Ill., submitted by Wallace C. Maier, commander, and other officers of said post, indorsing immediate cash payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

7142. Also, petition of American Legion Post No. 4, Hillsboro, Tex., submitted by C. L. McDonald, service officer of said post, indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

7143. Also, petition of American Legion Post No. 4, Iberia, La., submitted by Henry W. Gould, commander, and Eugene F. Mestray, adjutant, of said post, indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

7144. Also, petition of American Legion Post No. 70, Covington, Ky., submitted by Charles B. Tabeling, commander of said post, indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

7145. Also, petition of American Legion Post, No. 47, New Haven, Conn., submitted by Joseph S. Carusi, commander of said post, indorsing immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

7146. Also, petition of American Legion Post, No. 57, Chaska, Minn., indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

7147. Also, petition of American Legion Post, No. 244, of California, submitted by A. Louis Belotti, commander of said post, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

7148. Also, petition of Veterans of Foreign Wars, Post No. 1920, Graham, N. C., submitted by Vance S. Garrett, commander of said post, indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

7149. Also, petition of American Legion Post, No. 72, submitted by Ben Ferris, commander of said post, indorsing immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

7150. Also, petition of American Legion Post No. 202, Columbia, Mo., submitted by W. A. Sapp, adjutant of said post, indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

7151. Also, petition of American Legion Post No. 136, Boston, Mass., submitted by F. J. MacQuaide, commander of said post, indorsing immediate payment in full of the adjusted-service certificates; to the Committee on Ways and Means.

7152. Also, petition of American Legion Post No. 190, Chester, Pa., submitted by Dixie D. Dryden, commander of said post, indorsing immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

7153. Also, petition of 17,042 citizens and veterans of Los Angeles, Calif., in cooperation with Veterans of Foreign Wars, Disabled American Veterans, individual posts of the American Legion, and Veterans' Bulletin Service Club of Los Angeles, urging immediate payment of balance due on adjusted-service certificates as provided in House bill 1, submitted by Arthur G. McQuary, field marshal commanding bonus army of the United States; to the Committee on Ways and Means.

7154. By Mr. ROBINSON: Petition signed by Orville S. Dean and other Veterans of Foreign Wars, Bechter-Boise Post, No. 2440, Independence, Iowa, protesting against the proposed reduction in the benefits of veterans; to the Committee on Ways and Means.

7155. By Mr. RUDD: Petition of employees of the Army Transport Service, opposing the abolishment of the Army Transport Service; to the Committee on Economy.

7156. Also, petition of Edward S. Matthias, chairman national committee on legislation, United Spanish War Veterans, opposing the needs clause and reductions in pensions of veterans while in hospitals; to the Committee on Economy.

7157. Also, petition of the Saranac Lake Chapter of Disabled American Veterans, protesting against reduction of appropriation for disabled veterans; to the Committee on Economy.

7158. Also, petition of Smyth Donegan Co., Brooklyn, N. Y., opposing any reduction of the Federal employees salaries; to the Committee on Economy.

7159. Also, petition of Cook Chemical Co., Brooklyn, N. Y., opposing any salary reduction of Federal employees; to the Committee on Economy.

7160. Also, petition of Madison Square Cooperative Store, New York City, opposing reduction of postal employees' salaries; to the Committee on Economy.

7161. By Mr. TAYLOR of Colorado: Petition signed by 215 citizens of Grand Junction, Colo., urging legislation for the relief of the silver situation; to the Committee on Coinage, Weights, and Measures.

7162. By Mr. THOMASON: Petition of citizens of El Paso, Tex., protesting against further appropriations at this time for able-bodied ex-service men; to the Committee on Ways and Means.

7163. By Mr. WEST: Petition of 245 residents of Licking County, protesting against the passage of House bills 8092 and 8759, or any other compulsory Sunday observance bill; to the Committee on the District of Columbia.

SENATE

THURSDAY, APRIL 28, 1932

(Legislative day of Monday, April 25, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Monday, April 25, Tuesday, April 26, and Wednesday, April 27.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Hull	Pittman
Austin	Couzens	Johnson	Reed
Bailey	Cutting	Jones	Robinson, Ark.
Bankhead	Dale	Kean	Robinson, Ind.
Barbour	Davis	Kendrick	Schall
Barkley	Dickinson	Keyes	Sheppard
Bingham	Dill	King	Shipstead
Black	Fess	La Follette	Shortridge
Blaine	Fletcher	Lewis	Smoot
Borah	Frazier	Logan	Stelwer
Bratton	George	Long	Stephens
Brookhart	Glass	McGill	Thomas, Idaho
Broussard	Glenn	McKellar	Thomas, Okla.
Bulky	Goldsborough	McNary	Townsend
Bulow	Gore	Metcalf	Trammell
Byrnes	Hale	Morrison	Tydings
Capper	Harrison	Moses	Vandenberg
Caraway	Hastings	Neely	Wagner
Carey	Hatfield	Norbeck	Walcott
Cohen	Hawes	Norris	Walsh, Mass.
Connally	Hayden	Nye	Waterman
Coolidge	Hebert	Oddie	Watson
Copeland	Howell	Patterson	White

The VICE PRESIDENT. Ninety-two Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the Speaker had